# dissent

$6.00/Spring 1992

## TROUBLED AMERICA

RASHI FEIN
**For National Health Insurance**

HAROLD MEYERSON
**Candidates in Search of Economics**

HERMAN BENSON
**Teamsters Choose Democracy**

DEBORAH MEIER
**School Days: A Journal**

ETHAN A. NADELMANN
**On Decriminalizing Drugs**

MURRAY HAUSKNECHT
**Patriotic Crime: Iran-Contra**

JEREMY LARNER
**Naturalism and Film**

## POLITICS, HISTORY, IDEAS

MICHAEL WALZER
**The New Tribalism**

MOSHE LEWIN
**Russia: Nationalism & Economy**

MITCHELL COHEN
**What Was Stalinism?**

ALFRED KAZIN
**Norman Mailer & the CIA**

SAMIR AL-KHALIL
**Memorial for the Gulf War**

H. BRAND
**Why the Soviet Economy Failed**

ELIZABETH KISS
**Democracy Without Parties?**

CORNELIUS CASTORIADIS
**The Crisis of Politics**

IRVING HOWE
**Questions We Ask Ourselves**

JOANNE BARKAN
**End of the Swedish Model?**

ANDREW ROSS / RICHARD RORTY
**Intellectuals & Politics**

ALAN RYAN
**The Legacy of John Dewey**

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

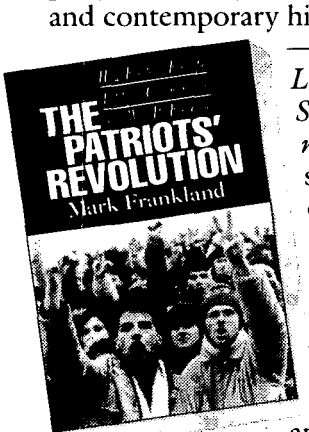
# New and important.

MARK FRANKLAND

## The Patriots' Revolution

*How Eastern Europe Toppled Communism and Won Its Freedom*

An authoritative account of the crumbling of the once powerful communist system by the correspondent of the London *Observer.* Drawing on more than thirty years' experience in Eastern Europe, Mr. Frankland re-creates what communism meant for Eastern Europeans and thus reveals the reasons for its breathtakingly rapid disappearance. "Exemplary...both as journalism and contemporary history."



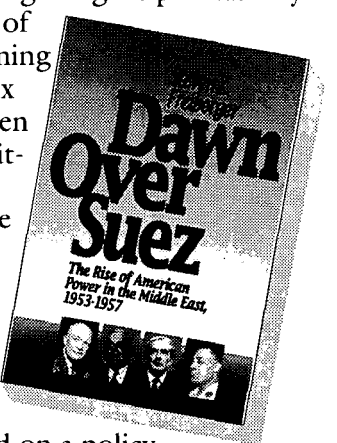

—*Times Literary Supplement.* "A superlative exposition, thorough and honest. The strength of Frankland's approach is that he forces nothing, idealizes no one, and intrudes hardly at all: instead, he offers a straightforward account of a monumental political upheaval, told from the point of view of everyone he met."—Kirkus Reviews. $26.50 cloth

STEVEN Z. FREIBERGER

## Dawn Over Suez

*The Rise of American Power in the Middle East, 1953–1957*

Taking advantage of newly opened British archives, Mr. Freiberger argues persuasively that the Suez crisis of 1956 was not a turning point but the climax in a struggle between Britain and the United States for dominance in the Middle East. He describes how the American ascendancy began in 1953 when the Eisenhower administration purposely embarked on a policy to restrain British colonialism in the region, then traces the intense diplomacy leading to the debacle at Suez. "An excellent and provocative book. Freiberger is the first student of the Suez crisis to probe deeply into British archives and to present a whole picture of two nations clashing over perceived interests in a vital area."—Lloyd C. Gardner, Charles and Mary Beard Professor of American History, Rutgers University, and author of *Approaching Vietnam* and *A Covenant with Power.* $26.50 cloth



Ivan R. Dee, Publisher

1332 North Halsted Street, Chicago 60622

At your bookseller, or order toll free 1-800-634-0226. Major credit cards accepted.

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

dissent

Spring 1992

A Monument to the Gulf War
*Samir al-Khalil*
**133**

**COMMENTS AND OPINIONS**

*Harold Meyerson* on the Democratic candidates, **135** • *Herman Benson* on the Teamsters' election, **138** • *Irving Howe* on the role of the democratic left, **143**

**REPORTS FROM ABROAD**

*Zhores Medvedev* on economic reform in Russia, **147** • *Anson Rabinbach* on whether the "ugly German" has returned, **150** • *Nanette Funk* on feminism in former East Germany, **152**

**ARTICLES**

National Health Insurance
*Rashi Fein*
**157**

The New Tribalism
*Michael Walzer*
**164**

Russia: Nationalism & Economy
*Moshe Lewin*
**172**

Theories of Stalinism
*Mitchell Cohen*
**176**

End of the "Swedish Model"?
*Joanne Barkan*
**192**

Worker Ownership in Russia
*John Logue and Dan Bell*
**199**

America's Drug Problem
*Ethan A. Nadelmann*
**205**

School Days: A Journal
*Deborah Meier*
**213**

The Crisis of Marxism, The Crisis of Politics
*Cornelius Castoriadis*
**221**

Democracy Without Parties?
*Elizabeth Kiss*
**226**

Why the Soviet Economy Failed
*H. Brand*
**232**

Patriotic Crime: Iran-Contra
*Murray Hausknecht*
**245**

Challenges to Market Socialism: A Response to Critics
*Thomas E. Weisskopf*
**250**

**COMMUNICATIONS**

*Andrew Ross* and *Richard Rorty* on intellectuals in politics, **263**

**CULTURE NOTES**

*Jeremy Larner* on the natural, the real, and the significant, **268**

**BOOKS**

*Alan Ryan* on Robert Westbrook's *John Dewey and American Democracy*, **273** • *Alfred Kazin* on Norman Mailer's *Harlot's Ghost*, **278** • *George Scialabba* on two books by Michael Albert and Robin Hahnel: *Looking Forward: Participatory Economics for the Twenty-First Century* and *The Political Economy of Participatory Economics*, **280** • *Eric Goldstein* on Kevin Dwyer's *Arab Voices: The Human Rights Debate in the Middle East*, **283** • *Michael Kazin* on *The Rise and Fall of the American Left*, by John Patrick Diggins, **285** • *Rose Laub Coser* on Gertrude Ezorsky's *Racism and Justice: The Case for Affirmative Action*, **287**

**Editors**
Mitchell Cohen
Irving Howe
Michael Walzer

**Executive Editor**
Emanuel Geltman

**Managing Editor**
Maxine Phillips

**Book Review Editors**
Mark Levinson
Brian Morton

**Business Manager**
Simone Plastrik

**Editorial Assistant**
J. Monaco

**Editorial Board**
Bernard Avishai
Joanne Barkan
David Bensman
Marshall Berman
Paul Berman
H. Brand
David Bromwich
Luther P. Carpenter
Jean L. Cohen
Lewis Coser
Rose Laub Coser
Bogdan Denitch
Jeff Faux
Cynthia Fuchs Epstein
Ferenc Fehér
Todd Gitlin
Murray Hausknecht
Robert Heilbroner
Agnes Heller
Martin Kilson
Erazim Kohák
William Kornblum
Jeremy Larner
Deborah Meier
Harold Meyerson
Nicolaus Mills
Jo-Ann Mort
Carol O'Cleireacain
Martin Peretz
Ronald Radosh
Bernard Rosenberg
James Rule
Alan Ryan
Meyer Schapiro
Patricia Cayo Sexton
Fred Siegel
Jim Sleeper
Cornel West
Sean Wilentz
Dennis Wrong

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

## AMONG OUR CONTRIBUTORS

JOANNE BARKAN is a New York writer and the author of *Visions of Emancipation: The Italian Workers' Movement Since 1945.*

DAN BELL is the network coordinator for the Northeast Ohio Employee Ownership Center and author of *Bringing Your Employees into the Business: An Employee Ownership Handbook for Small Business* (Kent: Kent Popular Press, 1988).

HERMAN BENSON is editor of *Union Democracy Review.*

H. BRAND writes frequently in these pages on economic issues.

CORNELIUS CASTORIADIS's last book published in English is *Philosophy, Politics, Autonomy.* Volume 3 of his *Political and Social Writings* is forthcoming from the University of Minnesota Press.

ROSE LAUB COSER is a sociologist in Cambridge, Mass.

RASHI FEIN is a professor of the economics of medicine at Harvard Medical School. His most recent book is *Medical Care, Medical Costs: The Search for an Insurance Policy.*

NANETTE FUNK is editing an anthology for Routledge Press, *Feminism and Postcommunism,* which contains original essays from women in East and Central Europe and the former Soviet Union.

ERIC GOLDSTEIN is research director of Middle East Watch.

MURRAY HAUSKNECHT is a sociologist who frequently writes about "white-collar" crime.

ALFRED KAZIN is working on *The Almighty Has His Own Purposes*, on the religious imagination of American writers.

MICHAEL KAZIN teaches U.S. history at American University. He is writing a book on the language of populism in modern America to be published by Basic Books.

SAMIR AL-KHALIL is the author of *The Monument: Art, Vulgarity, and Responsibility in Iraq* and *Republic of Fear.* His article in *Dissent* is drawn from his forthcoming book *Cruelty and Silence* (Norton).

ELIZABETH KISS teaches political theory at Princeton University. She is writing a book on rights theory.

JEREMY LARNER is a screenwriter in California.

MOSHE LEWIN is the author of several works on the Soviet Union.

JOHN LOGUE is director of the Northeast Ohio Employee Ownership Center. He is co-editor of *Managing Modern Capitalism: Industrial Renewal and Workplace Democracy in the United States and Western Europe* (Greenwood).

DEBORAH MEIER is director of the Central Park East Secondary School and a MacArthur Award recipient.

ZHORES MEDVEDEV is the author of, among others, *Ten Years After Ivan Denisovitch* and *Soviet Science.*

HAROLD MEYERSON is executive editor of the *L.A. Weekly.*

ETHAN NADELMANN is assistant professor of politics and public affairs at Princeton University and chairs the Princeton Working Group on the Future of Drug Use and Alternatives to Drug Prohibition.

ANSON RABINBACH'S most recent book is *The Human Motor: Energy, Fatigue, and the Origins of Modernity.*

RICHARD RORTY'S *Philosophical Papers*, in two volumes, have recently been published by Cambridge University Press.

ANDREW ROSS's most recent book is *Strange Weather: Culture, Science, and Technology in the Age of Limits* (Verso).

ALAN RYAN is a Mellon Fellow at the Institute for Advanced Study, where he is writing on John Dewey and American liberalism.

GEORGE SCIALABBA, a freelance writer, recently won the National Book Critics Circle Award for reviewing.

THOMAS E. WEISSKOPF is professor of economics at the University of Michigan. He is co-author of *After the Waste Land: A Democratic Economics in the Year 2000.*

DISSENT (ISSN 0012–3846), issued April 1, 1992, is published quarterly, winter, spring, summer, and fall, by the Foundation for the Study of Independent Social Ideas, Inc., 521 Fifth Avenue, New York, N.Y. 10017. Subscriptions: $22.00 for one year; $40.00 for two years; $15.00 for students for one year; foreign subscriptions, including Canada, add $7.00 for mailing costs per year; institutional rate $30.00 per year, $50.00 for two years, single copy $6.00. All payments from foreign countries must be made by United States money orders or checks payable in United States currency. For special rates on bulk orders from organizations, teachers, etc., write directly to DISSENT. For information on newsstand and bookstore distribution write to: Eastern News Distributors, Inc., 1130 Cleveland Road, Sandusky, Ohio 44870.

POSTMASTER: Send address changes to *Dissent*, 521 Fifth Avenue, New York, N.Y. 10017.

© 1992 by the Foundation for the Study of Independent Social Ideas, Inc. (FSISI). Permission to reprint any article must be obtained from the publishers. • Manuscripts will not be returned unless accompanied by a stamped self-addressed envelope. • Second-class postage paid at New York, N.Y., and at additional mailing offices. • Volume 39, Number 2 (whole No. 167).

• *Dissent* does not engage in lobbying or support candidates or legislation.

Front cover design by Robert Schwartz.

DISSENT is indexed in the *PAIS Bulletin.*



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

## Dissenting Views

# EASTERN EUROPE IN REVOLUTION

Edited by **IVO BANAC**

In this book twelve outstanding authorities present their thoroughgoing assessments of the East European revolutions of 1989.
**Contributors:** Ivo Banac. Elez Biberaj. László Bruszt. Jan T. Gross. Ken Jowitt. Tony R. Judt. Gail Kligman. Norman Naimark. David Stark. Ivan Szelenyi. Maria Todorova. Katherine Verdery.
$33.50 cloth, $12.95 paper

# MODERNITY AND THE HOLOCAUST

**ZYGMUNT BAUMAN**

*New in Paper!* Among the conditions that made the Holocaust possible, according to Bauman, the most decisive factor was modernity itself. "A stunningly original set of reflections on racism, extermination, rationality, individual responsibility in criminal societies, and the sources of obedience and resistance."—*Voice Literary Supplement.* $15.95

# RACISM AND JUSTICE

*The Case for Affirmative Action*

**GERTRUDE EZORSKY**

"A lucid, refreshingly elegant guide to the history and moral foundations of affirmative action. In an era when so many programs are under attack as "mere quota systems," this book is an indispensable reminder of their variety and potential."—Patricia J. Williams, *The Nation.* $21.95 cloth, $6.95 paper

# CARIBBEAN NEW YORK

*Black Immigrants and the Politics of Race*

**PHILIP KASINITZ**

In New York City, home to the greatest concentration of West Indians, Caribbean immigrants now constitute one of the largest and most culturally significant ethnic groups. *Caribbean New York,* by showing how the new immigration is reshaping American race relations, sheds much-needed light on factors that underlie some of the city's explosive racial confrontations.
$39.95 cloth, $13.95 paper

# THE LANGUAGE OF POLITICS IN AMERICA

*Shaping Political Consciousness from McKinley to Reagan*

**DAVID GREEN**

With a New Preface by the Author. *New in Paper!* "This survey is studded with insights and underscores key patterns in the evolution of our national discourse: the pervasive superficiality and self-contradictions; the invariable domination of expediency over principle, ambiguity over precision, partisanship over critical perspective."
—*New York Times Book Review.* $14.95

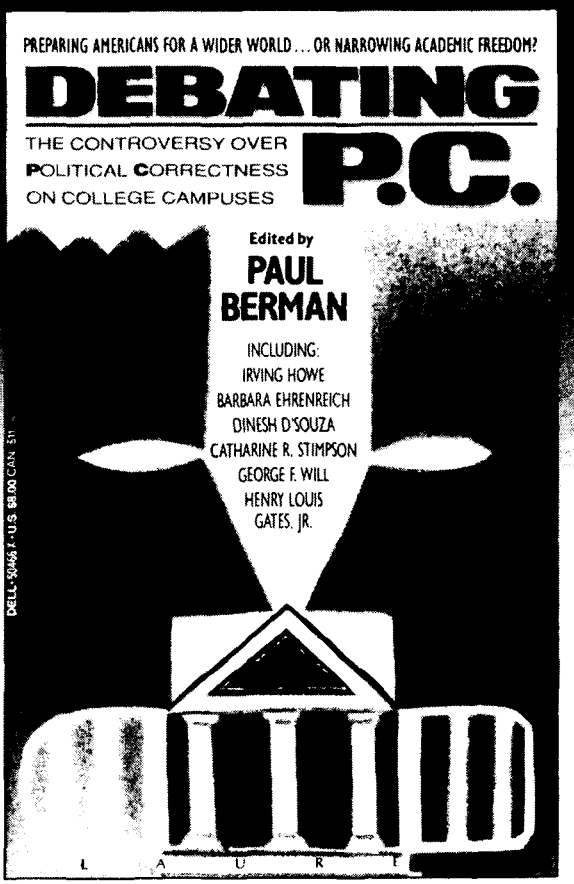
**Cornell University Press** / 124 Roberts Place, Ithaca NY 14850

*At bookstores, or call 607-277-2211 (credit card orders only, please)*

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# "The best single-volume introduction to the controversy over political correctness." —*Booklist*

With contributions by
- Irving Howe
- Barbara Ehrenreich
- Catharine R. Stimpson
- George F. Will
- Henry Louis Gates, Jr.
- Dinesh D'Souza & Robert MacNeil
- Roger Kimball
- John Searle
- Michael Berubé
- Edward W. Said
- Katha Pollitt
- Nat Hentoff
- Richard Perry & Patricia Williams
- Stanley Fish
- Ted Gordon & Wahneema Lubiano
- Paula Rothenberg
- Diane Ravitch
- Molefi Kete Asante
- Hilton Kramer
- Enrique Fernández
- Cornel West




The most important discussion in American education today, the debate over political correctness has grown into a major national controversy. This provocative anthology gives voice to the top thinkers of our time, liberal and conservative, as they tackle the question.

"A collection of 21 provocative statements on the subject of political correctness. The articles have been selected from popular, academic, intellectual and political journals, and the spectrum of opinion is wide, introducing the general reader to a range of arguments and issues." —*The New York Times*

★"A 'must read' for educators...highly recommended."—*Library Journal*, starred

0-440-50466-X $8.00/$11.00 Can.

Dell A division of Bantam Doubleday Dell Publishing Group Inc.


LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Samir al-Khalil

# A MONUMENT TO THE GULF WAR

In July of last year, I received a phone call from a television producer who was interested in doing a program on the idea of an American monument to Desert Storm. Somewhere in Washington somebody was thinking of commissioning just such a monument, and the producer wanted to preempt the national debate that was bound to ensue. The Dean of the Yale School of Architecture had already been contacted and was willing to run a studio among students that would present alternative schemes. Maya Lin, who designed the Vietnam War memorial, was a student at Yale when her entry won the competition for that monument in 1981. The program would therefore resonate with all the controversy that her great work produced, even as it took for its point of departure a new generation's attitude to a very different kind of war.

The Vietnam War memorial works because it eschews patriotism while acknowledging the dead, individually and collectively, as the only worthy reason for having any kind of monument. To my mind Lin's low-slung tapering black granite walls, inscribed with the names of 58,132 dead Americans, signify both a nation's shame and its compassion for its dead. Built into the earth, rather than rising above it in the phallic style of traditional monuments, Lin's memorial has been called a "gash of shame." The sinking black granite walls into which one descends stand in sharp contrast to the white marble obelisk of the Washington monument. In almost every detail, this object cries out against the glorification of war and the deification of power. Therein lies its eloquence. Now suppose there had to be a monument to the Gulf War? What ought it to signify?

My first trip to Iraq in twenty-three years, in November 1991, provided me with the framework of an answer. Like everyone else I was growing immune to Ba'th atrocity stories. But in September 1991 a videotape clip was passed on to me by a Kurdish colleague living in London. The film, recently shot in Kurdistan, depicted a twelve-year-old boy named Taimour sitting cross-legged on the floor, talking about how he had survived execution by a firing squad somewhere near the Iraqi-Saudi border in August 1988. His father, mother, three sisters, and everyone else who had been rounded up from the village of Qulatcho were not as lucky. Along with the film I was given photocopies of documents taken from the offices of the Iraqi secret police in cities like Sulaymaniyya, Kirkuk, and Arbil. The documents had been captured by Kurdish guerillas during the March 1991 uprising that followed the Gulf War, and their significance had hitherto been completely ignored both in the West and by the Iraqi opposition. The Kurds saved "three roomfuls packed floor to ceiling" of these files, according to one source. I went to Kurdistan to see those documents, to interview Taimour, and to establish the connection between the two.

What became evident is that in 1988, when Saddam Hussein was everyone's friend, a routinely administered, bureaucratic operation of extermination designed to end the Kurdish question once and for all was conducted in Iraq. Its code name was *al-Anfal*, which is a word from the Qur'an meaning the spoils of war, or booty that has been religiously permitted. Kurdish villages, Kurdish livestock, Kurdish grain stocks, and Kurdish possessions of every description were lawfully at the absolute disposal of the central government in Baghdad. The choice of word seems to imply that everything inside the territory covered by the "heroic *Anfal* operations" was religiously permitted, *halal*, to the Iraqi army. Why, even Kurdish lives were permitted.

The final phase of the three-stage operation was known officially as *khatimat al-Anfal*, or the final *Anfal*. The boy Taimour was caught up in this particular stage. The official paperwork from the police archives refers to people who have been "lost in the heroic operations of the *Anfal*." Through this trip, I have good reason to believe that at least 100,000 noncombatant Kurds (and possibly as many as 200,000) were rounded up from their villages,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

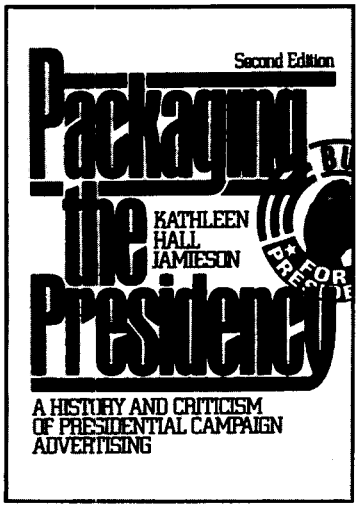
taken to large forts that acted as transfer points, separated out by sex, and trucked away to deserted areas of Iraq to be shot in mass graves (about one hundred people per grave).

The evidence suggests that these mass graves are located in the desert just west of the southern Iraqi city of Samawa. One day, after the regime of the Ba'ath in Iraq has finally departed, we are going to find them. Unknowingly, Allied forces—American troops in particular—had to have been encamped on top of (or very close to) those graves in March and April of last year. Certainly they controlled the area in which they are located. They were camped there while they stood by watching Iraqis who had risen against the regime in the wake of the Gulf War being cut to shreds by Saddam Hussein's helicopter gunships and Republican Guard units. More Iraqis died as a consequence of that rebellion than during the war itself. This is the moral framework within which a future Maya Lin needs to work to provide meaning to the Gulf War.

The Vietnam War and the Gulf War are inextricably connected in the American public conscience. If those who wanted this war did so to undo the so-called Vietnam syndrome, then it has been my experience that those who opposed it were by and large satisfied with replaying that syndrome. Neither took the conditions of the people most directly involved—be they Iraqis or Kuwaitis—as their principal point of departure. Everyone went on living in the past even as everyone was being proven wrong by those on the ground who stood most to lose and were begging them for help.

There are but a few American dead to memorialize in this war, but there are masses of Iraqi dead of every kind and description. If they ever do decide to built a monument for the Gulf War in Washington, then its moral underpinning is no longer a nation's shame, but its absence of compassion. □


Doing whatever it takes to win.


Second Edition
Packaging the Presidency
KATHLEEN HALL JAMIESON
A HISTORY AND CRITICISM OF PRESIDENTIAL CAMPAIGN ADVERTISING

Political advertising reached its nadir with Bush's Willie Horton campaign in 1988. Indeed, his negative approach became a campaign issue itself. What will 1992 bring? In this revised edition of a now classic study of campaign advertising, Jamieson examines all of the mudslinging, the soundbites, and the flag-draped politicians to provide an essential guide to what promises to be a particularly media-centered election year.
576 pp.; 66 illus. paper $15.95

Praise for the *First Edition:*
**"Definitive."**—Edwin Yoder, *The Washington Post Book World*
**"Classic and classy."** —*Kirkus Reviews*
**"A thoughtful history of campaign advertising."**—Adam Clymer, *The New York Times*

OXFORD PAPERBACKS Oxford University Press • 200 Madison Ave. • NY • 10016




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Harold Meyerson

# CANDIDATES IN SEARCH OF ECONOMICS

MARCH 1, 1992

Whatever the ultimate outcome of the 1992 presidential campaign, the terrain on which the campaign is being conducted differs greatly from that of any recent election—and in ways that should favor the Democrats. This first post–cold war election takes place amid a recession. That's a dangerous combination for George Bush: not since the thirties have voters placed so little emphasis on the "commander-in-chief" aspect of the presidency. More than that, the breakup of the Soviet Union precludes a traditional Republican recovery à la Reagan 1982. Republicans can no longer reflate the economy through the military Keynesianism of arms spending, the strategy they employed for decades to bolster the economy of the Sunbelt in particular.

Conservatives are at a particular disadvantage in responding to the diminution of the arms industry. It's one thing to advocate laissez-faire economics for inner-city blacks; quite another to recommend them to aerospace scientists and engineers who are an integral part of their electoral base and who are facing the prospect of an economy that can't re-employ them. Even so, the post–cold war deindustrialization wasn't enough to shake the Democrats from their own laissez-faire lethargy. It required a simultaneous series of government contracts with foreign corporations to build high-speed trains for the Democrats to awaken to the politics of industrial policy, domestic content, and economic conversion. California Democrats, who hitherto had regarded domestic content suitable (if at all) only for such fossilized economies as Michigan's, are now preaching the gospel of hometown manufacturing—which renders them competitive in several historically Republican congressional districts where unemployed or fearful defense industry workers are looking for plausible plans for converting their factories and talents to civilian uses.

The conservatives' disorientation is most profound at the level of ideology: without the communist threat to oppose, what do they believe in? During the Reagan ascendency, the GOP managed to bridge the fault line between libertarian yuppies and less affluent moral traditionalists. But on the basis of Pat Buchanan's presidential campaign, at least through New Hampshire, they're going to have trouble keeping those factions together. I attended a Buchanan rally a few nights before he sprung his New Hampshire surprise on the Bush White House—and even the pageantry seemed calculated to cover over the divisions among his supporters. As the band blared the "Colonel Bogey March" and the super-spruced young men who staff his campaign bustled about, Buchanan strode in to the young men's white-bread rap—a recording of "We Will Rock You"—followed by the band's rendition of George M. Cohan classics ("Yankee Doodle Dandy," "Grand Old Flag") for the Irishmen. This was the Buchanan right—an uneasy mix of shiny-faced free marketeers and downcast social conservatives whom the market is clobbering.

A driving snowstorm had ensured that attendance was limited to true believers—but Buchanan's challenge is that they believe different things. A *Times-Mirror*/Gallup poll from January, for instance, found that the percentage of Buchanan supporters who favor national health insurance (50) exceeds the percentage of Bush supporters who favor it (37). Not much room for pure laissez-faire there, and Buchanan has complained to the *Boston Globe* that his ideology sometimes stands athwart positions that his supporters would like him to take.

The Buchanan solution is to espouse a post–cold war economic nationalism in the most belligerent way possible. His second biggest applause line at the rally was a pledge of activism abroad to serve economic needs at home. "Friends [this is President Buchanan addressing European defense ministers], you are not going to bring down the aircraft companies that built the planes that kept you free!" His biggest applause line—a careful mix of abhorrence of government with a cry for governmental muscle—was directed at a proposal of the U.S. Export-Import Bank to make loans to American



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

businesses seeking to relocate to Mexico. Tom Harkin would dwell on the job loss here, Bill Clinton on the required policy shifts (ending tax subsidies for relocation). Buchanan dwells on nation: "What about our country?" he bellows. "Charity begins at home!" Buchanan has become the tribune for the xenophobic reaction to our plunge into the world market—and is attempting to reconstruct American conservatism by substituting a range of discrete foreign menaces for a vanished communist empire. For all his bluster, though, Buchanan espouses a conservatism that lacks the economic punch of the earlier, cold war version, which also produced jobs in the military sector. As to how to deal with the thousands of U.S.-based corporations that have relocated to Mexico without the benefit of the Export-Import Bank, Buchanan is uncharacteristically mute. (When Buchanan moved on to Georgia he became an NEA-basher, a side of him that New Hampshire never saw.)

But it's not just the end of the cold war that has thrown conservatives off their stride and given liberalism and the Democrats an opportunity to reconstruct themselves. More critically, this is the first post-prosperity election, the first election since 1948 in which the well-being of the American middle class is not a given, the first in which the declining condition of all but the wealthiest tenth has registered as a political concern. The "middle-class squeeze" issue has enabled the Democrats—with one crucial exception—to move beyond the neoliberal politics of austerity that has dominated the party since the Carter administration. Instead of advocating a scaled-down government for the few—in which a regressive tax system has been seen as supporting means-tested and race-based programs—the party has resurrected the idea and policies of universal government. National health insurance, universally available college loans, affordable housing programs, expanded job retraining for the unemployed—these have become staples of Democratic fare in 1992. By last fall, almost all the presidential candidates had embraced some kind of industrial policy—at least, a civilian-oriented research and development program and federal funding for electric cars and high-speed trains (one of Mike Harrington's "utopian" preoccupations, suddenly practical). Bob Borosage, chief policy adviser to Jesse Jackson in the 1988 campaign, was right when he told the *Washington Post* that the 1992 Democratic crop of candidates was clearly to the left of their 1988 counterparts (Jackson excepted). Of course, he said this before the emergence of Paul Tsongas.

The most extensively articulated vision of reinvented government—and the one that is likely to be most viable politically—is that of Arkansas Governor Bill Clinton. Clinton has attempted to jettison the stigmas that government programs bear by imposing "personal responsibility" criteria on welfare recipients. By the same token, though, he calls for a range of retraining, child care, labor market and employer-of-last-resort works programs that would provide a more genuine alternative to welfare than the nation has ever known. It's a balance that's mirrored by the heterogeneity of his advisers—ranging from centrists of the Democratic Leadership Council, who view Clinton as the best shot to rescue the party from the follies of social liberalism, to such avowed liberals as Robert Reich and Derek Shearer, who see Clinton as the best shot to rescue the party from the minimalist economics of neoliberalism. But on the 1992 campaign trail, even Tom Harkin, who was tagged inaccurately as the candidate of 1960s liberalism (he was more the last William Jennings Bryan populist), has taken pains to express his support for jobs programs as distinct from means-tested welfare.

A Clinton speech is a calculated affront to American insularity—filled with references to the nation's decline in wages, economic equality, and educational standards when compared to our European and Japanese competitors. Clintonomics focuses chiefly on upgrading the U.S. work force—following the influence of Robert Reich, who argues that only a world-class work force can ensure a revival of American prosperity in an increasingly open world market. Accordingly, Clinton targets the lion's share of the peace dividend to educational and retraining programs—unlike Harkin, whose emphasis tilts more toward upgrading the economy through a public works programs that rebuilds our decayed infrastructure.

Clinton attacks the stewards of the Reagan age for failing to have an economic strategy, as they do in what he calls "serious countries"—Germany and the nations of northern Europe in particular. He also flays the inegalitarianism of the American workplace in contrast to its European counterparts, and was the figure primarily responsible for injecting the limitation on CEO salaries into the year's political discourse. But there's a hole in Clinton's economic thought, based so heavily on upgrading the work force, and it corresponds to the place that unions should occupy. Clinton has a dismal record on labor questions, workplace safety, and kindred matters in



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Arkansas; whether that's more reflective of Arkansas or of Clinton remains to be seen.

Nonetheless, the AFL-CIO, as of this writing, has been unable to endorse Tom Harkin, clearly the more pro-labor candidate. The federation's reluctance stemmed not merely from its doubts about Harkin's ability to stay in the race but also from the fact that Clinton had won the support of several major internationals—chiefly, AFSCME (American Federation of State, County and Municipal Employees) and the AFT (American Federation of Teachers). It's an interesting split: AFSCME and the AFT can afford to place less emphasis on questions of trade (where Harkin stood out as the one clear opponent of the pending Mexican Free Trade Agreement) and even of labor law reform (as public sector unions, they tend to suffer less from union-busting management) than the major industrial unions, which supported Harkin. But compared to Paul Tsongas, Clinton is a virtual working-class hero.

Tsongas is precisely the kind of candidate the Democrats seemed finally to have gotten beyond in 1992. The problem isn't (or isn't simply) his lack of charisma—his wit is both sly and charming—nor the lingering doubts about his health (though no one has *swum* so portentously since Chairman Mao). It's his politics. Alone among the Democratic candidates, Tsongas perpetuates the most elitist aspects of the post-sixties Democratic party. He is the only figure in American politics who can make Michael Dukakis seem populist by comparison.

Until Tsongas's New Hampshire surge—and he was more the beneficiary of Clinton's troubles than of the popularity of his own ideas—the Democrats were evolving a politics that linked growth and equity. Above all, by pressing the claims of class and deemphasizing those of race, they were figuring out a way to reunite middle class, working class, and poor against the speculator elite of the Reagan Age—prying apart the Republicans' race-based coalition that has dominated presidential politics since 1968.

These were all endeavors to which Paul Tsongas is opposed. "Class" is not a word in the Tsongas lexicon. Standing atop some lofty vantage point that enables him to see nations but none of their subgroups, Tsongas proclaims that we—all of us, not just the wealthiest 10 percent—have been consuming too much and investing too little for the past two decades. Never mind that the discretionary income of most Americans is a dim memory at best, or that we are being out-invested by nations whose allocation of wealth is far more egalitarian—"we," the vast, undifferentiated "we," are consuming too much. In the flush of New Hampshire, the full political marginality, not to mention the dubious economics, of this perspective has yet to be exposed.

Tsongas's New Hampshire success was primarily the result of his support from the upscale precincts of an upscale state. The Friday before primary day found him addressing the entirely white-collar workforce of Logicraft, a Nashua-based computer software company. "This," he proclaimed, gesturing toward both the computers and the employees, "is what my campaign is all about. If firms like this one multiply, I don't worry about much else."

There's little evidence that he does worry about much else. Tsongas's eighty-seven-page economic manifesto focuses single-mindedly on restoring American manufacturing through a carefully targeted capital gains tax cut. The proposal differs from the Bush version by singling out only long-term investment in new or expanding businesses, while Bush would extend his to just about any investment imaginable—race horses and baseball cards. Tsongas believes in directed—not laissez-faire—trickle down. As for other forms of economic stimulation—well, that's all, folks. Although Tsongas is not alone in questioning the efficacy of the middle-class tax cut, he is quite alone in opposing any major public works projects to end the recession. In Tsongonomics, funds directed away from private sector manufacturing are funds misspent—so much so that he's suggested that Congress consider reducing annual Social Security adjustments to 1 percent below the cost of living.

Tsongas is a supply-side Democrat: the notion that wages and benefits must be high enough to support a sufficient level of aggregate demand is strikingly absent from his manifesto. He is, for instance, the only Democratic candidate to oppose pending legislation that would forbid corporations from hiring "permanent replacements" for strikers. Tsongonomics follows Reaganomics in directing wealth and power to the wealthy and powerful. It differs chiefly in more carefully targeting its preferred stratum of wealth: where Reagan favored the takeover *goniff*, Tsongas prefers "unshackling a progressive CEO." The Tsongas plan begins in the corporate boardroom—and reaches all the way down to the chairman's office.

As Tsongas sees it, all this makes him the ultimate Democratic heretic. "The Democrats as the give-away party, the anti-business party, the corporate bashing party: all that will end," he told the Logicraft workers. "I'm not Santa Claus."

But as recent Democratic party history, this is wildly inaccurate. Tsongas doesn't represent a break with the party's past; to the contrary, he is the one



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

candidate in the field who most perpetuates the party's dismal past. Jimmy Carter ran the first modern austerity administration; Walter Mondale campaigned on a pledge to close the deficit; Michael Dukakis refused to attack the GOP's obeisance to wealth. None of them proposed any governmental program that would benefit or attract the vast majority of voters—no national health care or affordable housing.

Just when the Democrats seem to have overcome such self-inflicted marginality, Tsongas, for a time at least, has resurrected neoliberalism. In the mid-seventies, political analyst William Schneider was working on a study of the newly elected Democratic Congresspeople of 1974—the large number of Democrats elected in the wake of Watergate from historically Republican suburban districts. While liberal on social issues like civil and women's and gay rights and the environment, they tended to reflect their districts' conservatism on economic questions. One day, Tsongas—a freshman Congressman elected from one of the only two GOP districts in Massachusetts—called Schneider. "If you're writing about this new breed of Democrat," he said, "I'm your guy."

Tsongas is still doing well in Republican districts—New Hampshire is GOP terrain to begin with, and he prevailed there in its wealthier precincts. Among voters with annual family incomes of $30,000 or less, Clinton beat Tsongas, 29 percent to 24 percent; while among voters whose family income exceeded $50,000, Tsongas beat Clinton handily, 43 to 35 percent. Tsongas is the candidate of yuppie virtue.

Whether that's a useful virtue in the politics of 1992 (or even a virtue at all) is highly doubtful. The politics of the eighties is long gone: the relation between growth and equality is increasingly viewed as complementary, not oppositional; government programs are back on the political map, albeit balanced by notions of corollary personal responsibility; prosperity is vanishing; communism gone. These are preconditions not only for a Democratic victory but a Democratic restoration—if they can find the right candidate. □

**Herman Benson**

# UNION DEMOCRACY TRIUMPHS OVER ORGANIZED CRIME

When Ron Carey learned that he had been elected Teamsters union (IBT) president, his first words, addressed to the old-guard officials who were using the union's treasury as their private money market fund, were: "The party's over." An unstated message, delivered to the whole labor movement by the victory of his entire sixteen-candidate slate, carried a broader lesson: for the first time in memory, organized crime suffered a major defeat in the American labor movement.

The eradication of corruption has been—and remains—one of the great unfinished tasks of American labor. Many have tried. Up to now, all failed. To start, not at the beginning, but "only" thirty-seven years ago, we turn to February 24, 1955, when the CIO executive board met to vote on merger with the AFL. Walter Reuther, hoping to allay the misgivings of those who were disturbed by the extent of corruption in the older federation, told them, "[I]t will clearly require bold courage to cleanse the labor movement of corruption, and it will require eternal vigilance to keep it clean. It is not an easy job, and if you think a united labor movement is going to mean we can sit back and say, we have the declaration, we have the machinery, the job is won, you are deluding yourself. . . . [B]ut I think the job can be done. . . . There are a lot of honorable people in the AFL leadership . . . we are equal to that challenge."

He was wrong; he failed. The forces of corruption proved more powerful than anything that Reuther and George Meany combined could muster. For a fleeting moment, Meany imagined that he could implement AFL-CIO constitutional provisions against corruption and enforce its Ethical Practices



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Codes. But he soon gave up. After the merger, corruption became more extensive and the rackets more firmly entrenched. After its expulsion from the AFL-CIO, the Teamsters, egregiously corrupt, grew stronger. Reuther not only failed, he surrendered. In despair of reforming the AFL-CIO, he took the UAW out; and, in one of the more bizarre twists of labor history, he joined the Teamsters in founding the American Labor Alliance, a miscarriage that was doomed at conception and soon died.

In 1958, after Teamsters President Dave Beck, destined for prison on corruption charges, was forced out of office, a federal judge imposed a monitorship over the union to keep Jimmy Hoffa from exercising power as the new president. Three years later, the judge gave up; the monitorship failed. Hoffa took over and promptly had the union constitution amended to make his regime virtually invulnerable.

Meanwhile, the Department of Justice continued to pursue Hoffa and finally sent him to prison. (Roy Williams, one of his successors as president, succeeded him in jail.) When Hoffa was released from prison and talked of resisting the mob, he was murdered. By this time, organized crime was selecting the IBT general president! Jackie Presser, a Teamster president who later escaped prison by dying of cancer, headed up Ronald Reagan's first labor campaign committee and, after the election, was appointed to the president-elect's transition team.

At the peak of racket power, the Teamsters union, more corrupt than when it was first expelled, was welcomed back into the AFL-CIO without a single dissenting vote. Readmission was an ignominious defeat for the whole labor movement, especially its progressive wing. Lane Kirkland, AFL-CIO president, became a consistent apologist for Teamster officials when they came under fire again from the federal government. Over two hundred fifty Congressmen, and candidates for president of the United States, followed by a gaggle of labor leaders, rose to defend Teamster officials from "persecution" by the government. Demoralization and debasement seemed complete. Except for one thing: the forces that were later to overcome the racketeers were gestating inside the union, finally maturing into the most remarkable rank-and-file reform movement ever recorded in American labor history: PROD-TDU.

In 1972, Arthur Fox founded PROD, the Professional Drivers Council, as an organization of over-the-road truck drivers, to campaign for highway safety, a cause that the union ignored. Fox, then a young, liberal Nader attorney, began by recruiting truckers to testify at congressional hearings. PROD lobbied, leveled charges against top Teamster officials, issued a report to union convention delegates revealing the bloated salaries of millionaire union officials. PROD members were "ordinary," mainstream Americans who don't like to be kicked around. They quickly learned that to force the union to fight for safety, it had to be democratized. They became a reform caucus.

Four years later, a new insurgent group was formed as a nationwide reform opposition, sparked by a group of young rank-and-file Teamsters, mainly in warehousing and local trucking, and later in UPS. Their principal founders were young Teamsters who had been influenced by sixties radicalism; but as *unionists,* they were immune to the anti-worker elitism of those days. Ken Paff, a young truck driver who had been to college, emerged as a top leader. He helped keep the emerging movement on track, avoiding standard "left" issues, ignoring complex civil wars in faraway places, to concentrate effectively on subjects important to truck drivers and other Teamsters: safety, wages, pensions, grievances, protecting the treasury from crooks, resisting givebacks, and, above all, union democracy. After some years of uneasy competition, PROD and TDU united in 1979.

For nineteen years, TDU-PROD continued the battle against the mob, without practical or moral support from a single well-known labor leader—with the honorable exception of Victor Reuther, who publicly identified himself with the TDU crusade; but, then, he is a *retired* labor notable.

The insurgents kept up a drumfire attack on the mob, ran opposition candidates in locals, published a monthly tabloid, pamphlets, and special bulletins for separate union divisions. They faced firings by collusive employers, blacklisting, and physical attack by thugs organized by the IBT general president.

However, skillfully using every right protected by federal law, and represented by sympathetic attorneys in court, they persisted. In one outstanding instance, they ousted racket-dominated officials from Local 138, a New York local covering grocery chains. In their years of insurgency, they created a trained cadre of unionists who could be seen at annual conferences where five hundred delegates represented several thousand members organized in local chapters.

It was a phenomenal achievement, but it still left the central union power intact, seemingly impervious to change. The corrupt system was buttressed by hundreds of suspect dynasties among the union's 615 locals, by layers of bureaucracy piled on other layers, by indirect election of top officers chosen by delegates who were themselves local officers selected in elections they could manipulate, by business agents



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

appointed from above, by a grievance procedure crafted to crucify dissidents, by extensive powers of repression in the hands of the international president, by millions of dollars in union treasuries at the disposal of the millionaire officials.

Towering above this more or less legal apparatus was the sinister, illicit structure of organized crime, easily able to replace any individual soldier who stumbled into prison. In extreme cases, it could dispatch death squads to eliminate dangerous opponents.

There seemed little hope of ever toppling the corrupt system by any force within the union, not even by so dedicated a band as TDU. A turn of events awaited some power superior to the ruling racketeers. Such a power emerged and the balance shifted when, in 1988, the U.S. Department of Justice filed civil suit against the union and its top officials under RICO, the Racketeer-Influenced and Corrupt Organizations Act. The government asked the judge to remove all top officers and put the union under the control of a court-appointed trustee, to oust racketeers from the union, and to prepare for the election of officers by direct membership vote in a court-supervised election.

When Congress adopted the RICO statute, with criminal and civil provisions, it recognized that corruption was debasing national life. The act sought more than the conviction of individuals guilty of a "pattern" of racketeering; it proposed the reorganization under court order of institutions dominated by racketeers. It has been used effectively against organized crime families, against corrupt businesses, stockbrokers, munitions manufacturers, banks. The Fulton Street Fish Market in New York City now operates under a RICO monitorship.

RICO was not aimed specifically at labor racketeering, but it provided the legal weapon against organized crime in the Teamsters. The precedent for using RICO against labor racketeers had already been established in Teamsters Local 560 in New Jersey, the local run by the Provenzano family for a generation and responsible for the murder of at least two dissidents. In that case, Judge Harold Ackerman authorized the removal of all local officers and the administration of the local by a court-appointed trustee. His order was upheld by the higher federal courts.

The official labor movement chose to ignore the Local 560 case, but it reacted with vociferous hostility to the RICO suit against the Teamsters international. Some union leaders remained silent. But Lane Kirkland and a battery of AFL-CIO officials joined in a public relations campaign to force the DOJ to backtrack. They denounced the suit as invading the rights of a free labor movement; corrupt individuals should be convicted of crimes but unions should remain free of control. Instead of RICO, they insisted, the government could use the Labor-Management Reporting and Disclosure Act, a much weaker law that offers some protection of democratic rights in unions. Above all, they warned, the government's move was part of a reactionary drive to smash unions.

Now that the dust has settled, all these arguments ring hollow. The freedom from government intervention sought by the AFL-CIO was akin to the autonomy sought by Southern reaction when federal authorities intervened to protect civil rights fighters. As debate raged in the early days of the RICO suit, some labor officials revisited their radical past. They admonished insurgents to shun reliance upon capitalist courts against union leaders. The actual choice, however, was too clear: either cooperate with racketeers against the government's action or cooperate with the government to drive out the racketeers.

A long and costly trial—it could have dragged out for years—was avoided when the top Teamster brass and the Justice Department reached an agreement embodied in a consent decree signed by federal judge David Edelstein. The old officials remained in power, ran the union, and continued to collect their salaries. But their authority was limited by three court-appointed officers: Charles Carberry, the investigations officer, could bring charges against any member with an established record of corruption; Michael Holland, the elections officer, was responsible for running honest elections of convention delegates and of international officers by direct membership vote; and Frederick Lacey, the independent administrator, ruled on appeals from decisions of the other two and reported to the judge. Judge Edelstein retained final authority.

The consent decree gave Ron Carey, the opposition candidate for president, a chance to reach the membership through the pages of the Teamsters journal. It gave members a chance to break though the layers of stifling bureaucracy by direct election of officers, and by the judge's insistence on an honest election. These safeguards led to the overwhelming defeat of the slates supported by the very officials who signed the consent decree. Why on earth did they agree? The answer reminds us that arrogant power breeds overconfidence.

The RICO suit was a civil action that itself posed no threat of criminal convictions. An extended trial, putting sworn testimony into evidence, could have easily led to criminal indictments. By avoiding a trial, IBT officials averted that danger. Meanwhile, they remained in power. Here was an officialdom that had



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cultivated contempt for a membership that they had easily manipulated for a lifetime. Until the last moment before voting began, they were confident that they could hoodwink Teamsters forever. Moreover, as demonstrated in the first months under the consent decree, they imagined that they could outwit the government. And they almost succeeded!

Now that it's all over and the old guard has gone down to resounding defeat, their calculations may seem to have been absurd. In fact, they came within an inch of outmaneuvering the government and assuring their reelection by fraud. They surely would have succeeded if Michael Holland, the election officer, had not been overruled by the judge.

Early in the process, Holland proposed an astounding set of election rules that would have surrendered control to incumbent local Teamster officials by permitting them to take charge of the distribution, casting, and counting of the ballots—and, at one stage, even of printing the ballots. After counting ballots in the locals according to their traditional arithmetic, they would send Holland, sitting in Washington, tally sheets of their own composition. If Holland's rules had prevailed, any election would have been a mockery; the old guard would have been "elected" easily after massive fraud.

Lacey, the independent administrator, was happy with Holland's proposals; the Department of Justice was willing to tag along; even TDU, which sought minor modifications, found his rules essentially acceptable. In the face of this unanimous agreement on what would have been a disaster, the Association for Union Democracy (AUD) urged the judge to reject Holland's monstrosities and to insist upon complete government supervision of the whole process from the printing of ballots to distribution, counting, and tallying. When the judge overruled Holland and agreed with AUD, a fair election was assured.

Meanwhile, Carberry's investigation of corruption proceeded apace. With the concurrence of Lacey, in his role as administrative judge, one corrupt official after another was removed from office and barred for life from involvement in union affairs. By the time the election rolled around, Carberry could report that at least 150 had been axed, not just minor underlings but some of the most powerful and influential of the old gang.

With Carberry demonstrating that the government meant business, and with an honest election guaranteed by court order, the whole atmosphere in the union was transformed. Hundreds of members, assured of some government protection, came forward to run for local office, for delegates, and for national office, campaigning openly for insurgent slates.

At the union convention in mid-1991, Ron Carey was nominated as the insurgent candidate for international president by votes of some three hundred delegates, or 15 percent of the total. His nomination was a doubly spectacular achievement. For one thing, the opposition had at last won substantial convention representation. For another, it had succeeded in coming up with an attractive, credible candidate. In hindsight, with victory at hand, that might not seem like much. At the time, it was an extraordinary first success.

Never before had any opposition broken through the bureaucratic crust to win effective convention representation. TDU had elected a single delegate about ten years before and fewer than a dozen five years later. In 1991, with its 15 percent, the opposition set the tone of the discussions. In the locals, where entrenched machines dominate by fear and job control, often in collusion with employers, that 15 percent was a notable breakthrough. Less than six months later, when the rank and file voted for international officers, not so easily subject to local pressures, almost 50 percent voted for Carey.

In agreeing to run, especially when his chances of winning seemed remote, Carey put his personal safety on the line. In this union, murder is familiar. If it could happen to Jimmy Hoffa, it could happen to anyone. One former international union vice president, Tony Provenzano, was convicted of killing a union rival. As head of the large UPS local in New York, Carey had won a reputation as an independent-minded, talented union leader of integrity—and courage. Just the man required to head the insurgent ticket.

Carey had never been identified with the Teamsters for a Democratic Union, but TDU rallied behind his candidacy and provided an enthusiastic nationwide campaign team without which the opposition would have been ineffective. All sixteen candidates on the Carey slate were elected; ten of them had come out of TDU, including Diana Kilmury, elected a vice president, the first woman to serve on the union's international executive board. The old guard split during the election. R.V. Durham was selected by a majority of the old officialdom; Walter Shea was chosen by a disaffected minority. In the end, the split was not decisive, for Carey obviously would have won even in a simple two-way race. The final returns gave Carey 188,883 votes or 48.48 percent; Durham, 129,538 or 33.24 percent; and Shea, 71,227 or 18.28 percent.

Press commentators, startled by Carey's election, reported it as David defeating Goliath. True enough, but its significance is far greater. It was the triumph



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of union democracy over organized crime. There have been upsets in unions before, though not on so grand a scale. But there has never been so decisive a setback for corruption.

In these difficult defensive days for unions, everyone looks for signs of new hope. With the Teamsters transformed, some union activists expect the new administration to lead a mighty surge forward to free the labor movement from its doldrums. That would be nice but not likely. Carey has not produced an arresting new labor program. This is not to diminish his role or his ability, because no one in or near the labor movement has yet come up with such a program. He is a fine, able, honest union leader, not unlike other decent union leaders. He proposes to make his own union a clean and democratic representative of the interests of its membership. For the Teamsters that's bold enough for now. The fight for that program in the IBT is not over; it has entered a new stage. Carey's victory at the top has not eliminated the corrupt elements who still control many big-city locals.

Once the Teamsters union takes its place in labor's mainstream, a union perhaps as progressive as any other, the shift of this 1,500,000-member union will not by itself alter the balance of political power in America. A militant union controlled by its members can best defend their interests. However, the labor movement, like the nation, faces vexing political and economic issues that will not be resolved by union militancy. On the other hand, if Carey can democratize the Teamsters, that achievement will have significant long-term effects in democratizing other unions. Union democracy means a stronger labor movement, and the Teamster reform victory helps prepare for that future.

Leaders of some unions, especially those who swallowed hard as they supinely voted to welcome the old racket-ridden Teamsters back into the AFL-CIO, may learn a new respect for the power of the rank and file. Most important of all, Carey's victory demonstrated what combination of forces can overcome racketeering in unions: courageous rank-and-file union reformers, supported by civil libertarians outside the union, their rights effectively protected by the power of the federal government. It was that combination that toppled the most sinister forces of corruption in our most powerful union. If it can succeed there, it can succeed anywhere. □

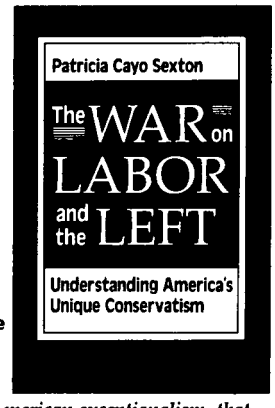

**Westview**

**The War on Labor and the Left**

Understanding America's Unique Conservatism

**Patricia Cayo Sexton**

*"Lucid, critical, and cogent ... Sexton has written a very readable survey of the American labor-left, showing how it has met with fierce repressive measures from government and business, and how it has nonetheless won sizeable victories for American workers and others."*
**—Irving Howe**




*"Patricia Sexton's book is absolutely indispensable for understanding American exceptionalism, that is, why the labor movement in the United States is the weakest in the Western world. American labor has been subjected to a brutal assault unprecedented in other industrial democracies. It is the dark side of the American way of life. This book is vital to political analysts, students of politics, and students of American history."*
**—Bogdan Denitch**
Queens College, City University of New York

*"Despite the ugly history of brutality perpetuated by American companies against American workers, often abetted by the American government, and despite all the internal difficulties that have plagued labor movements, this gripping story, exhaustively researched and absorbingly told, holds out the hope that we may look to the future with confidence."*
**—Douglas Fraser,** United Auto Workers

325 pp. • $24.95 hc

Available at better bookstores or from

**Westview Press**

5500 Central Ave. • Boulder, CO 80301-2847 • Phone (303) 444-3541 • Fax (303) 449-3356




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Irving Howe

# QUESTIONS WE ASK OURSELVES AND CAN SOMETIMES ANSWER

This is a moment for questions. Probably the ones we ask ourselves are not very different from those our readers would ask. So here's an effort by one *Dissent* editor to provide, not exhaustive or definitive, but brief and provisional answers. Other editors might disagree, and will perhaps be heard from.

*1. In this moment of political and intellectual confusion, what role remains for the democratic left? What can it usefully do or say?*

People of every political outlook find themselves overwhelmed by the rush of historical change. But even at times when ideas need to be revalued or revised, there are things we need to do and say.

First of all, unremitting social criticism. We must keep saying that it's not ordained in the heavens that our cities should collapse, millions of people should be jobless, and thousands more homeless. It's not ordained that the rich become richer, the poor poorer. Last spring we published a special issue on "Social Breakdown," and I wondered whether that might not be too strong a phrase. It wasn't. Every reflective person knows the country is in very deep recession, but with problems that go beyond and will outlast the recession. The ruling elite of this country suffers from a sense of drift, an emptiness of mind, and, sometimes, a crude cynicism. Just as we were being deafened with hosannahs for "the triumph of capitalism" (especially by arriviste neoconservatives), capitalism took a nosedive. Perhaps not a fatal one, but deep enough. So our task remains to keep assailing injustice, poverty, corruption, and, even if the national mood is distinctly sour, to keep advancing the values of human solidarity.

Of course we have proposals to make. They are called social democratic in Europe, liberal in the United States. A national health plan, decent child care, environmental protection, measures against sexual bias, legislation enabling unions to organize, a serious campaign to help the "underclass"—just for starters. Not revolutionary changes, and many already present in other capitalist societies, especially those with strong labor and socialist movements.

And then there's a need for intellectual work—let's say for utopian thinking qualified by democratic norms. Events of the last several decades do require a reconsideration of what we mean by a democratic socialist society, and in a piecemeal, stumbling fashion we've begun to do that. Such reconsiderations may not have immediate practical bearings, partly because the very word "socialism" has been tarnished by its misidentification with the communist dictatorships. It will take some time before we can rid ourselves of that cross. Still, we proceed patiently with intellectual work, trying to depict the features of a democratic socialist society in workable detail—its structural arrangements, not just its envisioned qualities—without succumbing to excessively mechanical specifications. The articles we have been printing in *Dissent* about market socialism may not be among the most widely read, but in my opinion they are among the most important.

*2.* Dissent *tends to assume the centrality of social democratic ideas. But can we attract Americans with such "meat and potato" issues (income distribution, trade policy, job training, health plans, and so on) when these are frequently seen as the concern of "special interests"? Many Americans seem to feel more strongly about things like prayer in the schools, the pledge to the flag, morality on television, and abortion than about "meat and potato" issues.*

A recession has a way of concentrating the mind, reminding people of what the major priorities in domestic society really are. It's not that we "want" a recession; of course not. They seem, in any case, to come along periodically regardless of what anyone "wants." Right now, in early 1992, most Americans are rightly concerned about jobs, health insurance, paying bills. This clearly matters more than the pledge to the flag or multiculturalism. The divisive "social issues" mentioned in your question have their importance, but given the American political



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

system, a progressive politics must focus as much as reasonably possible on overriding economic concerns. And this for two reasons: first, the right uses "social issues" as a diversion from what are the genuine needs and concerns of most citizens and second, if we don't bring up the basic economic issues and possible radical solutions, almost no one else will. "Meat and potatoes" is no longer a metaphor; it has become for millions of Americans a day-to-day problem. Only some "advanced" academics concerned with "hegemony" in English departments fail to understand this.

There is, however, one "social issue" that ranks in importance with the economic ones, and that is abortion. We have an obligation to defend the right of American women to choose freely, no matter what our views about abortion itself.

*3. Given the damage that has been done to the idea of socialism from all sides of the political spectrum, why do you still choose to call yourselves by that confusing label?*

Because that is what most of us are; because even if we dropped the label, our opponents would still stick it on us; and because there isn't a better one in sight.

In the last few decades we've had to add the adjective "democratic" to the noun "socialist," as a recognition of unhappy realities. Ideally, "democratic socialist" ought to be seen as redundant, because the socialism we envision is unconditionally democratic. That as a matter of hygienic differentiation we have been forced to add the adjective constitutes a tacit admission that political opponents of the right (malicious) and the left (feckless) have done enormous damage in misidentifying socialism with totalitarian regimes.

If there were in sight a significant movement of the left that avoided the trappings and language of traditional socialism but had more or less similar objectives, I'd not hesitate for a moment to drop the label. But there is no such movement in sight. It may be that the socialist movement that flourished some decades ago has reached a point of exhaustion and that we are now waiting for an inheritor. I don't know. But right now, when socialists are confined to small groups, largely propagandistic and intellectual in character, I see no point in a change of name. The confusion of labels is the price we pay for the failures and mistakes of the past—and the price will be paid.

*4. With the downfall of communism, what lessons do you draw?*

This question can be answered either by writing a long book or by saying that it's still too soon to make a definite statement. I'll hedge a little by avoiding both extremes and offer a few remarks.

It begins to look as if the era of revolution that began with the great French revolution and reached a climax with the Bolshevik revolution has come to an end. No one can be certain; history is full of surprises, often nasty; but it does seem as if in the foreseeable future, at least in the "advanced" Western nations, a shaky measure of social stability has been achieved, through what some writers call "neocorporatism," entailing a pact between the contending classes to live together in partial harmony.

How long will this arrangement survive? Again, no one knows—there are signs, some extremely serious, of instability in all the European countries. This could lead to severe social conflicts. Still, I think Octavio Paz is right in saying that "the revolutionary myth," so powerful in the imagination of the left for the past 150 years, "is dying. . . . A Holy Alliance is not killing it; it is dying a natural death."

We have come to distrust the "glamour" of revolution: there have been too many disastrous consequences. As Paz writes, "revolution begins as a promise, dissipates its energy in feverish agitation, and freezes into a bloody dictatorship that is the antithesis of the fiery impulse that brought it into being." Is this an inexorable "law" of history? Perhaps not. It was not true for the American revolution, but then, in the sense that the left used the term, that was not a genuine social revolution.

What Paz describes is familiar, and if it's not inexorable, it certainly suggests a considerable likelihood concerning the outcome of insurrection and dictatorship. That is one reason socialists are reformists, hoping to achieve a better society through the processes of democratic change while realistic enough to be aware that such a commitment may also inhibit, certainly slow the process of change.

Another caution: in its "heroic" pre-Stalinist phase, Bolshevism sought to undo, as it were, the accumulated past of history; it sought to make a dramatic break with the past. In campaigning against traditional religions and in behalf of a totalistic secular ideology, it proposed to create "a new man." That may be one reason for its ruthlessness in dealing with political opponents and its willingness to trample on the symbols and myths of the very people it proposed to remake.

At the end of his brilliant book *Literature and Revolution* Leon Trotsky has a passage that in my



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

youth I found inspiring. He writes that in the blissful classless society "man will become immeasurably stronger, wiser and subtler. . . . The average human type will rise to the heights of an Aristotle, a Goethe, a Marx. And above this ridge new peaks will rise." Now, decades later, I am repelled by this rhetoric, with its unpleasant authoritarian promise that "the vanguard" will fulfill its "task" to reshape humanity. I would now be glad to see a situation in which "the average human type" in a democratic socialist society would be just a little more humane and cooperative. A plethora of Goethes is not attractive. The ordinariness of ordinary life should not be threatened by the socialist idea.

*5. In the writings of some* Dissent *editors there seems to be a certain ambiguity toward organized social democracy. If so, why?*

Yes, that's true for some of us.

The social democratic parties of Europe vary a great deal in character and quality. The Scandinavian parties are more serious and reflective than most of the Mediterranean ones; the Italian Socialist party under Bettino Craxi does not fill one's heart with joy. Some social democratic parties retain a measure of socialist idealism; some have become mediocre political machines not much better than their centrist competitors; and others manage to combine both good and bad. It would, after all, have been implausible to suppose that the decay of political life these past few decades would leave social democratic parties unscathed.

Still, insofar as there remains in Europe a left constituency it can be found mostly in social democracy and occasionally among the Greens. Groups for whom the socialist idea is still a living issue mostly huddle within social democracy.

That movement faces very serious problems. It seems to be suffering from a paucity of gifted leadership, certainly of serious intellectuals. In those countries where the welfare state is well entrenched, there is a programmatic question: what next? In other countries, social democracy is faced with the national question, with which it has never been very comfortable. At least for the time being, social democracy as a whole has settled for "capitalism with a human face" (the welfare state), which is certainly much better than what we have in England or the United States but still falls short of socialist aspiration. Given the weariness that is one heritage of our century, that is about as far as social democracy seems able to go.

*6. Given your recognition that democratic socialism is not now on the immediate agenda, might it not be a sufficient goal to opt for a social democratic outcome—an advanced welfare state in which capitalist property relations are subject to strong controls and fiscal measures are taken toward a more egalitarian society? Wouldn't that be a sufficient goal?*

Such an advanced welfare state with a full-scale social democratic program is a highly desirable goal, and one that's likely to take a good many years to achieve. I don't see this as being a conflict with the idea of a democratic socialism but rather as a major step in that direction. There could also be many setbacks and hesitations along the way—we have no reason to assume a smooth historical progress. It's also possible that for a variety of reasons, including the decision of electorates, we might not be able to go beyond such a social democratic outcome in the foreseeable future. The idea of socialism would then serve as a "regulative principle," a norm for political activity, a vision of a future not within immediate reach.

Yet, if the social democratic goal is much to be desired, it isn't one that socialists should "settle for." What the differences might be between a social democratic outcome and a democratic socialist society are discussed at the end of Thomas Weisskopf's article in this issue of *Dissent*. I would reiterate his observation that so long as the main centers of property remain in private or corporate hands, there is likely to follow a severe imbalance in social and political power. Even if regulated by progressive legislation, large concentrations of private property—we're not talking about mom and pop stores, which should remain with mom and pop—make for a situation of inequity, just as large concentrations of state-owned property can make for another kind of social imbalance.

*7. Have you given up on the idea of utopia?*

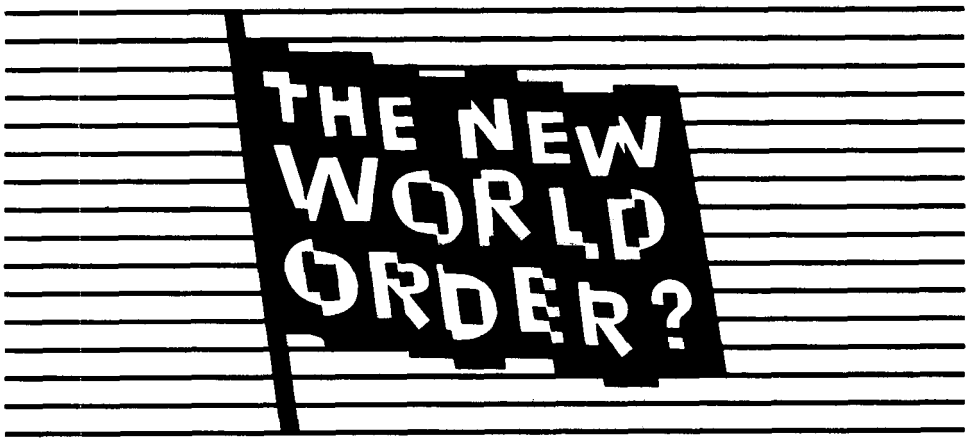
No. In the last several years utopia has become a term of dismissal in conservative polemics; but the truth is that all political-ideological outlooks entail or imply utopian visions. They differ only in kind.

What should be rejected once and for all is the politics that would impose utopia through dictatorship and terror. That can lead only to mass apathy, followed by resistance from below and cynicism above.

But there is a democratic kind of utopianism that posits a better—not a "perfect"—society and that sees in socialism, among other things, the realization of liberal values. To give up this vision would be a failure of the imagination, and would turn against the entire experience of humanity, which in one form or another has continued to dream of a truly human existence. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED




TENTH ANNUAL

# SOCIALIST SCHOLARS CONFERENCE

## APRIL 24, 25, 26, 1992

**BOROUGH OF MANHATTAN COMMUNITY COLLEGE, CUNY**
**199 CHAMBERS ST. (NORTH OF WORLD TRADE CENTER) NYC**

**Speakers: Maria Elena Alves • Stanley Aronowitz • Bogdan Denitch Boris Kagarlisky • L. A. Kauffman • Ernest Mandel • Deborah Meier Jo-Ann Mort • Joseph S. Murphy • Major Owens • Frances Fox Piven Daniel Singer • Cornel West • Ellen Willis ... and many others**

## REGISTRATION FORM

Make check payable to "Socialist Scholars Conference" & mail to R.L. Norman, Jr., CUNY Democratic Socialists Club, Room 801, 33 West 42nd Street, N.Y., NY 10036.

- Pre-Registration forms must be postmarked by April 20th to allow for processing.
- Professional childcare for toilet-trained toddlers, 3 years and older, will be provided on Saturday and Sunday daytime. Unfortunately, school insurance does not cover younger children in childcare facilities.
- If you need childcare, please tell us number of children & ages.

**PRE-REGISTRATION**

☐ $25 ☐ $15 (student / low income)

**REGISTRATION AT DOOR**

☐ $40 ☐ $20 (student / low income)

Name _____

Address _____

_____

Affiliation _____

(For more information, call: (212) 560-0101)

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Zhores A. Medvedev

# RUSSIA: ECONOMIC REFORM OR CATASTROPHE?

LONDON: FEBRUARY 1992

Ukraine recently stopped supplying food to the Krasnoyarsk region of Siberia. Krasnoyarsk Atomgrad, which has an underground store for radioactive waste, responded by refusing to take spent nuclear fuel from Ukraine. New Tallin port, newly completed to serve the whole USSR, wants payment in dollars for unloading goods in transit to the Commonwealth of Independent States (CIS). Boris Yeltsin has ordered the modernization of the old port of St. Petersburg so that goods from Europe can be unloaded there. Lithuania is demanding part of the oil that is pumped through the country. There is an energy crisis in Latvia and Estonia because their oil supplies have been drastically cut. Turkmenia plans to sell its natural gas to Iran and Pakistan for hard currency. This will reduce the gas supplied to the European part of the CIS. Yerevan has electricity for only a few hours a day. Azerbaijan is blockading the railway line to Armenia and interrupting Armenia's gas supply. As the economic crisis deepens, so economic conflict among the former Soviet republics proliferate.

The transition from a centralized to a market economy is proving enormously complex. For example, the prices—in rubles and in dollars—of more than two million industrial components that cross the new state boundaries will have to be determined. Dividing up union property is particularly difficult. Much publicity has been given to the conflict over the Black Sea fleet and the army. But allotting the merchant fleet is no less controversial. Dividing it by port of registration will not work: republics like Belarus and Kazakhstan have no ports, but they want their share of merchant shipping. Parceling out the railway and deciding on transit charges for goods being shifted across republics is even more complicated. The division of Aeroflot and the many other shared structures and services that all fifteen republics will continue to need lies ahead. Independent or not, the fifteen former Soviet republics need a single currency. No one republic can exist without the others, since their economies are hopelessly interdependent. But the gravest crisis at present is the breakdown of the centralized food distribution system.

## The Food Crisis

The unique feature of the USSR is not its industrial system (much of which was based on Western models) but the collective and state farm system of agricultural production. From 1929 to 1931 the collectivization of agriculture allowed the government to confiscate food forcibly and use it for rapid industrial development. With monopoly control of the production and distribution of food, collective and state farms were obliged to supply a predetermined amount of food to the state at fixed prices. Collectivization made it possible for certain regions to specialize. The industrial development of the Urals and Siberia, Central Asian cotton production, Georgian and Moldavian fruit farming, and the concentration of high technology in the Baltic republics would have been impossible without state monopoly of food procurement and distribution.

However, centralized control also limited agricultural growth. Demand always exceeded the volume of food supplied to the towns. Each autumn all organs of power from the central government to the most junior local official had to concentrate on the procurement of food: the urban population had increased far more rapidly than food production. In 1927 the urban population of the USSR was thirty-two million people. By 1992 it was nearly two hundred million. The urban population has grown tenfold since 1913, while the production of grain only doubled. In the last twenty years the population grew by fifty million people while food production



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

remained more or less static, averaging about 170 tons of grain per annum, the 1969 level. In 1972, 1975, 1981, and 1991 the production of grain fell below this level.

After Khrushchev, however, the Soviet leadership supported industrial growth and urban expansion by importing huge amounts of food. The exploitation of Siberian oil and gas reserves made this possible. Oil and natural gas were sold on the world market to subsidize the purchase of food. But the world price of oil fell from forty to ten dollars a barrel in 1986, and Soviet petrodollars could no longer support food imports. Mikhail Gorbachev had to use hard currency and gold reserves and other resources to fund the imports. New credits were negotiated, which increased the external debt from twenty-five to eighty-four billion dollars. Clearly, this situation could not last. Paradoxically, however, the direct cause of the economy's collapse was the democratization of local government and the removal of the Communist party of the Soviet Union (CPSU) from the economic infrastructure.

### Democracy and Centralized Food Distribution

There was a serious food crisis in 1991, aggravated by a poor harvest. The government no longer had hard currency or gold reserves to pay for increased imports, and inflation had reduced state procurement. State and collective farmers did not want to sell their produce for depreciating rubles. By the autumn of 1991, instead of the one hundred million tons required, the state only had twenty-eight million tons of grain to distribute.

There were three possible ways of dealing with this situation. The first was to return to totalitarianism, forcibly confiscating food from the collective and state farms. The second was to remove all subsidies and abolish stable prices; if food prices rose sharply, food would flow into the towns. The third way was foreign aid. (Increasing imports was impossible because the output of oil had fallen sharply.)

The failed coup in August 1991 was an attempt at the first remedy. The second and third ways of coping with the crisis were begun on January 2, 1992, when prices for all goods and services were "liberalized"—dramatically sharpening the economic conflicts between republics.

The problem is that the governments that have taken these measures are virtually powerless. The democratic and nationalist groups that won the elections to the republican Supreme Soviets and to the councils of several large towns (particularly Moscow and Leningrad) in 1990 do not have the political infrastructure to impose their influence in the provinces. Having disintegrated into fifteen republics, the country is continuing to break into economically independent regions along ethnic and administrative boundaries. The exchange of goods among regions has fallen.

The peculiarity of the 1991 revolution lies in the fact that it was not a clash between the ruling party and the opposition in the central union government. Instead, it resulted from the confrontation between republican political and nationalist groups and the center. The political forces that have come to power in the various republics differ from one another and do not share the same goals. The CIS is held together only by its interdependent economy, which cannot be managed without a totalitarian administrative elite. This, in essence, is what the CPSU was for many years.

The Soviet totalitarian system directed the macro- and micro-economy as well as politics, ideology, education, the press, and other elements of the superstructure. The Central Committee of the CPSU controlled appointments to all important party and political posts in the republics and regions. It also supervised all important administrative and economic appointments. Factory, mine, enterprise, institute directors, chairmen of regional and town executive committees, and so on, were always party members, their appointments confirmed in Moscow. Any leader of any republic (whether or not "elected") could be removed by a decision of the Politburo. The interests of the center always prevailed over local interests.

In the agricultural sphere, this led to a situation where the main obligation of all local leaders was to ensure the supply of food to the state rather than to the local population. Moscow or Leningrad were always supplied with goods even if they were in short supply in the towns and regions that produced them. The food produced in a three hundred km radius around Moscow was sent to Moscow, for example, and not to the closest town. Leningrad, Sverdlovsk, Gorky, other military-industrial centers, secret nuclear and missile towns, science towns like Dubna, Obninsk, Akademgorodok, and so on, enjoyed similar privileges, as did the capital of each republic. People who lived in areas that produced the main national riches often had a much lower standard of living than those who lived in the capitals and military-industrial centers.

The removal of the party's monopoly of political power and the introduction of local democratic elections radically changed the relationship between the center and the provinces. Local bosses became dependent upon their own voters and not upon



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

republican or Moscow authorities. They could no longer be removed by party or ministerial directive from Moscow, and they ceased to act as local regents for the center. With the center losing its power over the provinces, the system of priority supply to special towns collapsed.

By the end of 1990 consumer and food products had already begun to be used closer to where they were produced. This made sound economic sense, given uniform prices. Dairy products produced in Kaluga, for example, or meat products from Tula were no longer sent to Moscow or Leningrad. Depending upon demand, they went first to the shops of Kaluga or Tula. Local interests began to take precedence, at least as far as the distribution of consumer and food products was concerned.

None of the leaders of "Democratic Russia" could have guessed that their victory over the CPSU would turn into a catastrophe for the consumer towns. They did not reckon with the fact that in its seventy years of monopoly power, the CPSU had acquired administrative and economic functions that ensured the fulfillment of all state programs. It was easy to displace the party from politics, but replacing it in the sphere of economics proved much more difficult. The democratic parties were strong in Moscow and Leningrad, but extremely weak in the provinces. Without the strict centralism of the CPSU, they could not establish local structures to ensure that President Yeltsin's decrees or the laws of the Supreme Soviet of the Russian Federation were implemented locally.

The directed system of distribution collapsed and, with it, food supplies to Moscow, St. Petersburg, and many Ural and Siberian towns. Although there is danger of hunger in those towns, there is sufficient food in Russia as a whole, and in the CIS. In 1933 and 1934 millions of peasants died of starvation in the rural areas of Ukraine and south Russia while Moscow, Leningrad, Kharkov, and Kiev were towns of plenty. The opposite might happen in 1992 unless there is massive food aid from Western Europe and the United States.

### The Economic Reform of 1992

Having destroyed the center and vanquished the CPSU, Yeltsin and the "Democratic Russia" bloc concluded that a market system could replace the previous system of distribution if prices were radically reformed. In theory, free prices mean that goods and food products move to the place where the producer receives the highest price and the greatest profit. After all, London, Paris, and New York have abundant supplies not because of government directives but because of the market. Russian collective and state farms would, it was thought, take goods to the towns if the prices were high enough. The flow of goods would be regulated by money rather than by directives.

To judge by the experience of the first month of free prices, however, the experiment has not produced the desired results. "Shock therapy" has been a shock without any therapy. So far the reform has demonstrated little about market distribution and a great deal about the instability of the ruble. The producers remain monopolists, and there is no competition for their goods. Instead of rising two or threefold (the amount that would have replaced the subsidies), many prices have risen ten, fifteen, twenty times, making almost everyone in the country poor. Producers charge the highest possible prices to maximize their profits, but they are not increasing production. In some cases production has actually fallen. The ruble has depreciated several times in relation to goods. Thus the reform has reduced the value of labor in relation to the price of food, removing the workers' incentive to improve labor's quality and productivity. The Russian "shock" has turned out to be far more severe than the Polish version, since it has not, so far, been followed by the reappearance of goods.

In a situation where the monthly income of a worker is equal to five kilos of sausage, strikes are inevitable. But the directive system of distribution cannot be reintroduced because the political structures that supported it simply do not exist. If the government gives in to pressure and raises salaries, another twist will have been given to the inflationary spiral. Ukraine, Belarus, and the Baltic republics will introduce their own currencies to protect their consumers, nudging Russia toward a radical monetary reform.

The transition from capitalism to socialism in Russia led to the destruction of the national economy. The transition from socialism to capitalism, which began on January 2, seems to be leading in the same direction. A modern capitalist market economy is much more complex than a centralized socialist state system and the transition to the market is less likely to be a leap than a prolonged, painful process. In the final analysis it must include agrarian reform and demographic movement. In Russia, Ukraine, and Belarus, millions of people who worked in military industries will be unemployed. They must be moved from previously privileged towns to other regions, and some of them must move to the agricultural sector.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It will take several years (perhaps until 2000) to attain the balance between industrial and agricultural production that is essential for the economy. At present there is no alternative to centralized state procurement and retail sales of food. The centralized system of elevators for storing grain, transport, food processing, urban storage, and so on, cannot be reformed yet. A market economy can only arise in Russia, and in the other members of the CIS, as a complement to the state economy. It cannot be created by destroying all the useful structures of the state system.

So far, the only things that have changed in Russia are prices. What is taking place is not the creation of a market infrastructure independent of state power but the formation of a Russian command-administrative system that will, inevitably, strengthen the power of the government. □

**Anson Rabinbach**

# THE RETURN OF THE UGLY GERMAN?

Is the ugly German making a comeback only two years after unification? So it seems, at least from the almost daily reports of brutal mob attacks, arson, and beatings of foreigners in both parts of recently unified Germany. These assaults are committed largely by neo-Nazi youths, mostly skinheads, who are at the margins of society and not much beloved by the wider population. But there are indications that the number of those sympathizing with their "motives" is rising, and, more important, that xenophobia, racism, and even good old anti-Semitism are more prevalent than at any previous time in postwar German history. Police reaction has been uncharacteristically reserved, and shortly after the worst incident last September—a vicious mob attack (lasting several nights) on a shelter for 150 Romanians and Vietnamese refugees at Hoyerswerda in Saxony—the neo-Nazi German People's Union (DVU) won 6.2 percent of the vote in the Hanseatic city of Bremen (the right got 8 percent if the Republicans are included). Still, in comparison with France, England, and certainly Eastern Europe, the level of xenophobia and ethnic hostility is considerably less than elsewhere in Europe (not to mention the United States).

This does not mean that there is no cause for concern. But the response to the new wave of racial hatred has been an impressive campaign by the television and radio media and all the political parties, as well as demonstrations by hundreds of thousands against racism and *Fremdenhaß* (hatred of foreigners). Kiosks and walls are adorned with graffiti, posters, and stickers with slogans like "Nazis out," "We are all foreigners," "Foreigners welcome, we are all planetarians" and, "Tolerance—so that nothing worse occurs" (with a picture of a broken window). These slogans are so visible that *Der Spiegel* complained that hatred of foreigners is being rapidly replaced by an officially sanctioned hatred of Germans by Germans. However, the campaign is effective: whereas 34 percent of the population expressed sympathy for the motives of the racial attacks in September, the figure dropped a full 10 percentage points by December (interestingly, there was more sympathy for the attacks in the prosperous west than in the economically devastated east).

If the radical right's reemergence is troubling, Germany is still a liberal, secure, and, of course, orderly society. The new and virulent racist and neo-Nazi fringe is not in itself dangerous, but it has become the focal point for a multitude of tensions and problems that have mounted since the dismantling of the Berlin Wall two years ago.

First, there are signs of a new German lack of inhibition about throwing around its political weight. Only weeks after the Economic Community (EC) summit in Maastricht accepted the Bundesbank as its model, Chancellor Helmut Kohl declared that Germany was "number one in Europe in economic might." And with its unilateral recognition of Croatia and Slovenia in December, Germany has struck out on its own in foreign policy. Bonn's pressure on the twelve EC member nations to fall into line was considerable, and the decision to act unilaterally, whatever its wisdom, unprecedented.

Second, relations between the western part of Germany and the five "new provinces" are tense.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

The economic windfall created by the takeover of the east by west German firms and the "sell-off" of the communist state enterprises has emphasized the contrast between a wealthy and successful west and a rapidly deindustrializing, ecologically ravaged, and impoverished east. The disclosures of the incalculably extensive penetration of the State Security Apparatus (*Stasi*) into every nook and cranny of society—especially evident in the resignations of prominent politicians of the so-called "bloc parties"; in the cultural scene, in the churches and peace movements, and above all in the leadership of the anti-regime movement—has raised questions about the legitimacy of the GDR opposition. Conjectures abound, but it seems safe to say that the Stasi judged the declining fortunes of the GDR accurately enough to want to play the options.

Unification has by no means produced a single German "identity," but instead has revealed how inadequate and paradoxical both German identities always were. There is resentment, mistrust, and suspicion on both sides: westerners perceive easterners as lazy, corrupt, and lacking in commitment to democracy; easterners feel colonized, demoralized, and see westerners as arrogant. East and West Germany are unified, but they are far from being united.

Third, and most important, the emergence of a politically visible radical right and the racist attacks, combined with the strains produced by the spiraling numbers of refugees from war-torn Yugoslavia, Romania, and other impoverished Eastern countries, has provoked a national debate about Germany's liberal asylum law. Since 1949 Germany has had an extremely generous constitutional provision (Article 16) guaranteeing that "persons persecuted on political grounds shall enjoy the right of asylum." The difficulty is that the Basic Law also accords the right of citizenship to all persons of German ethnic origin and descent, if they can offer proof of German heritage or of having lived in the "territory of the German Reich as it existed after 31 December 1937." This article (116), was originally designed to include those Germans whose homes in Silesia or the Sudetenland ended up in Poland or Czechoslovakia after the war. But it also grants citizenship to descendants of Germans living in Russia since the seventeenth century (Volga Germans) as well as German communities throughout Eastern Europe. Though the article is clearly not racist in intent (it also restores citizenship to all exiles between 1933 and 1945, including German Jews), it has an undeniable ethnic dimension. To make matters worse, Germany has no statutory immigration law whatsoever. In an effort to stem the potential flood of new "settlers," Chancellor Kohl called upon Boris Yeltsin to establish an autonomous German republic in the former Soviet Union. Though the two leaders signed an agreement to that effect, it has clearly not been a priority for the Russians.

The laws regarding asylum and ethnic right of return are on a collision course. The liberal asylum law belongs to the atmosphere of 1949. The ethnic citizenship law, first articulated before World War I, and retained in 1949, belongs to the period of German chauvinism. More than a quarter million asylum seekers have shown up in Germany in the past year, while a half-million ethnic Germans have already applied for admission and citizenship this year (their cases have yet to be decided, apparently as a delaying tactic).

The situation is exacerbated by the breakup of the Soviet imperium. Article 116 has given ethnic Germans in the east new hope of citizenship, while the asylum law's guarantee of social benefits and the right to housing has driven increasing numbers of refugees from the Balkan civil war to Germany. The result is that social and moral responsibility is forced to compete with blood and ethnicity. Though the asylum seekers from the Balkans are legitimately included under the Geneva convention defining the politically persecuted as those endangered by war, many Germans perceive the asylum as a de facto immigration law. Public opinion is contradictory. A majority of Germans believes that asylum seekers are abusing the social system, though more than two-thirds approve of the law. It is not clear whether some believe that Germans would be more deserving or that the right of asylum is being misused for economic reasons and should be more tightly controlled. In the meantime Germany has attracted the highest number of asylum seekers in Europe. Though labor immigration was halted in 1973, many of those who arrived earlier have chosen to stay, with the result that Germany is rapidly becoming a multi-ethnic society, outstripping even France and England in the number of foreign-born residents.

All the political parties recognize that the intertwining of national identity with the right of asylum is explosive, even without considering the social costs of the new immigration. Economic growth is declining, unemployment and housing shortages are rising, and the cost of aid to the former Soviet Union and the eastern provinces is pushing taxes upward. Despite professions of good will, many responsible leaders, for example, Peter Glotz of the Social Democratic Party (SPD), admit that Germany may eventually face a choice between the potential collapse of its social system or modifying its universally praised asylum law.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Municipalities are already overwhelmed, and conservative parliamentary chief Heiner Geißler warns that the issue should be resolved before it becomes an electoral football. Geißler recommends an "extension" rather than revision of the law, which would impose restrictions on the asylum seekers (speed up procedures, curb length of stay, eliminate economic grounds). The kickoff may have already occurred, though, since some Social Democrats and most Greens oppose any change in the law and accuse the Christian Social Union of playing a "disgraceful and cynical game" by turning revision into a code word to attract voters who share the resentments of the radical right. Conservatives threaten that if the SPD refuses to compromise, every further asylum seeker will become an "SPD refugee." The majority of Social Democrats, including ex-chancellor candidate Oskar Lafontaine, favor compromise on a law making asylum more difficult without fundamentally altering its intent. Even the Greens have backed away from their absolutist "open borders" stance. For this reason politicians across the spectrum hope that the situation can be "displaced" if a comprehensive law regulating asylum and immigration is adopted by the European Community in Brussels, though none has yet been proposed.

All of these developments would be incomprehensible if it were not for the epochal events that Europe has witnessed in the last few years. There is good reason for those of us who observe the German scene from a distance to be concerned about the emergence of a neo-Nazi right and the social and political dislocations that have occurred since the wall came down. But it is a mistake to try to fit what is occurring into what novelist Peter Schneider calls the "deep-freeze theory" of the unchanged racist German who instantly defrosts when Germany is unified. The German version of this sort of thinking is the image of America today as a sinking capitalist *Titanic* (as the magazine *Stern* recently depicted it) or, conversely as "a land of almost unbelievable social, cultural and ethnic integration," as the "anti–anti-American" left-wing *Tageszeitung* sees it. Germany, like the United States, is a nation of paradoxes, and to understand these paradoxes, the stereotypes first have to go. Of course, there is one simple answer to the dilemmas that Germany faces, the one proposed by the Frankfurt cabarettist Matthias Beltz: to solve the foreigner problem the communist regime should be immediately reinstated for all of Germany. Repression, poverty, and everyday misery would become universal, Germany could request international aid, no one would demand asylum, and all the foreigners would go away. The wall could be put up again, this time around the whole country. But he was just kidding. □

**Nanette Funk**

# FEMINISM IN FORMER EAST GERMANY

There is a nascent women's movement in Eastern Europe, different from that in the West. Where the women's movement in the West was built in a milieu of relative economic plenty, feminism in the East is being built in a milieu of massive unemployment and the loss of abortion rights, day care, and other social entitlements.

In the former German Democratic Republic (East Germany) women began meeting in their homes to discuss feminism almost ten years before the "Wende," the political transformation of fall 1989. Some groups were formed under the auspices of the church, including lesbian groups, and in opposition to proposals made in 1982 to draft women into the army. Others, like "Women against Violence" in Weimar, were concerned with rape and other aspects of violence. Some tried to open alternative day care centers and were jailed, their children harassed.

The problems women faced in coping with the burdens of work and family, the contrast between ideology and reality, and contact with West German women and literature—all contributed to these developments. There was the official women's group, as in all "socialist" countries, the Democratic Women's Organization of Germany (DFD), which transmitted the party line defining women's activities in terms of cooking and knitting classes.

From fall 1989 to spring 1990, several women's



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

groups came into being, including the Center for Interdisciplinary Research (ZIF) at Humboldt University in East Berlin. On December 3, 1989, GDR women held the first public, non-party national meeting in a postcommunist country. From this conference came the Independent Women's Organization (UFV), which is still active. Although much smaller now, at its strongest point it had about three thousand members.

Since spring 1990, women, often loosely associated with the UFV, have set up more than twenty-five centers, with employment advice and psychological counseling for overwhelmed and depressed women. There are seventy women in local parliaments and one explicitly feminist UFV woman, Christina Schenk, is in the national Parliament, the Bundestag. Almost five hundred women are active in the newly created Offices for the Equality of Women.

The UFV was not a new social movement but an explicit feminist political movement. It was formed in order to be politically effective in the national transformation. Its motto was, *Ohne Frauen ist kein Staat zu machen* (a state cannot be made without women). This movement participated in several ways.

*The Round Table*. Immediately after the opening of the Berlin Wall, the Round Table, composed of thirty-nine representatives of all the opposition groups as well as the regular GDR parties, was formed as a national democratic institution. At first primarily advisory and critical of the old GDR, it soon achieved equal power in the Parliament, then quickly, and briefly, became the major power. Legally, the GDR Parliament, the Volkskammer, had to approve decisions made by the Round Table. But since the Volkskammer had little legitimacy it rarely rejected the Round Table's proposals.

One of the first acts of the UFV was to demonstrate with pots and pans at a meeting of the Round Table, demanding participation. In the open atmosphere of the period from November 1989 to January 1990, women were admitted.

As a new institution of participatory democracy, the Round Table did not need to know the intricacies of all the elaborate structures from which women had been excluded. Its orientation toward decision making based on compromise and consensus, rather than the elaborate power strategies of political power, was amenable to women. On February 5, 1990, Tatiana Boehm of the UFV became Minister without Portfolio in the transitional Modrow government of the GDR, indicating the UFV's political strength. The major activities of the Round Table included the dissolution of the state security police, the formation of an Office for the Equality of Women in every community of more than ten thousand, a kind of expanded Equal Opportunities Office, and the writing of a Social Charter that was to supplement state economic agreements for the reunification process. Both the Social Charter and the draft of a new constitution had as central issues support for abortion on demand, and for continued day care, and the creation of the Office for the Equality of Women. The UFV became the work group on the Social Charter in January 1990. It was passed by the Volkskammer on March 7, 1990.

*The Elections*. Women's activities were also political in the narrow sense. They engaged in parliamentary elections and debates and ran candidates in four electoral campaigns between March and December 1990. They argued for self-determined abortion, quotas, protection of children and youth, and the creation of a social and economic parliament with representatives from different interest groups. The failure of the UFV to get much political representation signaled the beginning of the end of this political phase.

*The Office for the Equality of Women*. Created by the Round Table, this Office was to exist in every public institution. The UFV demanded substantive equality (*Gleichstellung*), arguing that *Gleichberechtigung*, equal rights, which the GDR had advocated, was not enough.

Women's activities are necessarily political if they are to create an environment in which women can develop a democratic culture and personality, be active rather than depending on the "favors" of an authority. It creates an opportunity for women who were active in the Socialist Unity party (SED), the GDR Communist party, to unlearn the hierarchical and centralized political styles they represented. For example, in one women's institution, a woman was chosen by a committee to replace its retiring chairperson, but the general members could not nominate anyone and were limited to voting "yes" or "no," exactly as in the ex-GDR. Women now have to decide what role ex-SED members are to play in their current organizations.

### Consciousness-Raising

Consciousness-raising seeks to undermine the ideology that assigned women a subordinate role. But women's problems today go beyond unmasking the ideology of the old GDR. Women are losing jobs and day care, facing for the first time employers who won't hire them if they are over forty or won't hire them if they have young children. Women need to learn their legal rights, how to take advantage of



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

available options, and how to change the laws where necessary. They need support against despair and self-blame. Consciousness-raising will encourage women to recognize that there was inequality and discrimination in what was called "really existing socialism," whose state ideology claimed that the GDR had given women equality through full participation in the labor force. Women have to expose the "hidden" and undiscussed problems that combined paid work, childrearing, and housework, and stop thinking it was their personal failing if they couldn't do it all. They have to confront the forbidden topics of rape and violence.

But consciousness-raising will not be *the* methodology or emphasis of the ex-GDR women's movement. It was not the main focus of the pre-1989 stage, of small groups of women who got together to discuss forbidden feminist literature or, in the case of some academic women, supported each other in feminist research. Consciousness-raising is culturally alien in a society that did not think psychologically, where one was not encouraged to express one's feelings, and in which one learned to think one thing and say another. Revealing personal matters does not go over well in a police state. Self-disclosure to reveal common features of oppression was a suspect activity, recalling the obligatory collective activities in which everyone was required to speak his or her own mind, so long as they said what the state wanted.

At women's centers women often discuss concrete ways to deal with problems, part of a mutual self-help tradition that already existed in the GDR. Consciousness-raising, when it does occur, is just as likely to discuss problems common to men and women, for example, their disturbing submission to authoritarianism, their complicity with the former system, if only in the form of passive acquiescence or of having been active in the SED, perhaps even in the *Staatssicherheit* (the "*Stasi*"—the secret police).

A tormenting process is underway with the opening of *Stasi* files. People are finding that friends, relatives, and husbands were in the *Stasi*. Because it was mostly men who were in the secret police, this creates problems for women: if the man did not tell his wife, deception was the basis of their relationship, and if he did, then she was compromised. We shall see if women will deal with this any differently from men.

## The Family and Sexuality

When women in the GDR do not discuss certain issues important to feminist movements in the West, it is not because they are blind to these problems. Women in the GDR had different problems from those of middle-class white women in the United States. GDR women were not bound to the home, constrained by the demands of domesticity. They were more independent economically. The state provided jobs, day care, and other entitlements, making women less dependent on individual male support. Women made about 75 percent of men's wages, and contributed about 40 percent of family income. They knew they could make it on their own and there was no stigma to being a single or divorced mother. There was a divorce rate of almost 40 percent, mostly initiated by women. Since women worked in such numbers, men had to take on certain family chores, although in their "consciousness" they merely "helped."

No doubt, issues of male-female sexual and power relationships, which were taboo subjects in the GDR, will have to be explored, as well as women's sexuality, pornography, prostitution, and the refusal to recognize the existence of lesbians in the ex-GDR. The issue of abortion is being debated in the Parliament, with the likelihood that within a year the East German women's right to abortion in the first three months will be restricted and counseling made obligatory before an abortion.

In an authoritarian society, the overriding power of the state distracted GDR women from the lesser power men had over them. Women—who had children at quite a young age, on average at about twenty-two years old—also had a vested interest in protecting the family and the private sphere from interrogation, since the family provided the main avenue for self-expression, some happiness, and autonomy. Outside was a drab world of ideological control, one that required conformity. People could not travel, follow their own path in consumption, join political organizations or private associations. Women are unlikely to challenge the structure of the family now, the only institution with some stability at this time of insecurity and unemployment. Because of the political transformation, the focus is understandably not on personal matters but on economic issues and state social policy regarding women.

## Where Theory Enters

What is feminist theory? Is it theory about women or theory about society from the women's perspective? A lot of Western feminist theory has concerned itself with the former, but the tentative theory that women in the East have presented (as in the Manifesto of the UFV written by Ina Merkel) was more in the direction of the latter. They took positions on



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

democracy, ecology, peace, demilitarization, a multicultural society, and a nondominating relationship to nature. Christine Schenck has written, "Feminism is not limited to the woman's question but is a critique of patriarchy and a concept of society in one." Women are particularly interested in ecology because of serious environmental health problems, with many children having bronchitis, skin diseases, and so on. And, since it was women who were expected to care for children, it was women who took time from work and were discriminated against for doing so. These women will focus on how child care can be socially organized so as not to have this effect.

*The Past.* In referring to their past, women frequently use the concept of patriarchy; for example, in the writings of Ina Merkel, Hildegard Marie Nickel, and Irene Doelling. It is likely to be the direction of further study, whereas women in the West now use other concepts. One of the major theoretical questions will be how GDR women interpret their past—whether or not they were emancipated. After 1950 women had what could be called "patriarchal emancipation," decided by the state with little consultation from women. Emancipation belonged in the productive sphere and did not require a transformation in the reproductive sphere, gender roles, and responsibility for housework or child care. Women were segregated into a narrow spectrum of jobs with vertical segregation.

*Difference.* The women's movement in the ex-GDR brings to the fore the difference between East and West German women that has led to such tremendous hostility that the two virtually cannot speak or work together.

*The Public Sphere.* The ex-GDR women first created a general public sphere and discourse about women at the *state level,* during the period of transition, and only now are they beginning to create a separate women's public sphere, the opposite of developments in the West. The women's journal *Ypsilon* informs women of their rights and discusses issues of interest to women. It is important for the journal not to portray men as "the enemy," as the ex-GDR charged was the case with the women's movement in the West. In one issue it interviewed men, presenting images of sensitive, responsible men. Excluding men from UFV meetings was one of the major issues that outraged many GDR women, leaving them reluctant to work with the UFV.

Normalization, under the standards of former West Germany, is taking place. The power of the Round Table is gone; the Offices for the Equality of Women are weakened, although there are still many women in these offices committed to retaining day care and employment for women.

The accomplishments of the Office for the Equality of Women include funding of women's centers, and houses for battered women, and warning women of the dangers of training in dead-end fields. They function as a branch of a social democratic state concerned with preventing a collective nervous breakdown by women. At the neighborhood level, they have become crisis management centers, helping women to deal with daily problems of life.

East Germany is confronted by massive unemployment. Women are hit harder than men, and account for a constantly increasing percentage of the unemployed—59.3 percent at the end of August 1991. The official unemployment rate was 12.1 percent at the end of August, but women's unemployment rate has been 2 to 5 percent higher than men's every month, 14.6 percent for women and 9.6 percent for men.

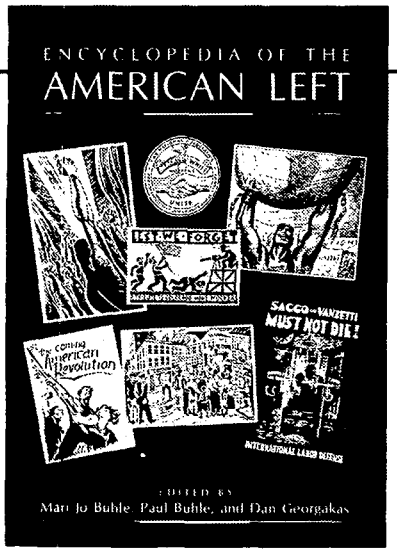
This inequity originates in employment patterns created by the GDR's patriarchal emancipation. Women in the ex-GDR were concentrated in lower-level positions and thus are the first fired. Women were concentrated in a few spheres, just those hardest hit by the transition to the market. West Germany regards women from the East as "overemployed," in comparison to the 55 percent employment of West German women.

Real unemployment is much more than the official figures show, more like 40 percent if one takes into account the extraordinary state measures Germany has introduced to dampen unemployment. Jointly, these measures account for almost two and one-half to three million additional persons, more than twice as many as are officially unemployed. Only 35 percent of women receive some of these benefits, and this contributes to women's higher unemployment figures.

It is in this context that the women's movement will develop. Many women have no energy or desire for collective activities and organizations, of which they had enough in the GDR. However, there are still active women, and we shall see how their movement develops. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED




New Paperback!

**Encyclopedia of the American Left**

Edited by Mari Jo Buhle, Paul Buhle, and Dan Georgakas

Selected by *Choice* and *Library Journal* as one of the ten best reference books published in 1990, this is the first comprehensive reference book on radicalism in the United States from the Civil War to 1990.

"A major achievement that is bound to be a valuable reference for many years to come." — *The Progressive*

"Provides convenient, extensive, and much-needed documentation of a rich American tradition." — *Voice Literary Supplement*

"Superb, indeed indispensable. . . . Contains clearly written, detailed entries on major and minor figures, movements, parties, sects, journals, magazines, trade unions and tendencies in literature and the arts." — William E. Cain, *In These Times*

"A unique and comprehensive collection. . . . Contains essential data for understanding the scope and development of the American Left. Recommended for all academic and larger public libraries." — *Library Journal*

$29.95

*Order toll free 800/545-4703 from*

**University of Illinois Press**
P. O. Box 4856 • Hampden Post Office
Baltimore, MD 21211



*Toward a New U.S. Foreign Policy:* Promoting Democracy and Social Justice at Home and Abroad

**Saturday, May 2**
9:30 am to 6 pm
New School, 65 Fifth Ave, NYC

**PLENARIES:** "Is There Hope for U.S. Foreign Policy?" and "A New Economic Order? Free Trade, Free Markets, and Democracy"; plus workshops.

**SPEAKERS:** Edward Said, Cong. Major Owens, Holly Burkhalter, Joanne Landy, Christopher Hitchens, Adolfo Aguilar (Mexico), Tadeusz Kowalik (Poland), Ann Snitow, Gordon Fellman (New Jewish Agenda), Jennifer Scarlott, Jocelyn McCalla (Haiti), Rakiya Omaar (Somalia), speakers from Czechoslovakia, Canada, Puerto Rico.

Conference sponsored by Campaign for Peace & Democracy and Comm. on Liberal Studies, New School for Social Research, Free, For info call (212)666-5924

**Leading the field in sociology and the related social sciences:**

**sociological abstracts (sa)**
and
**Social Planning/Policy & Development Abstracts (SOPODA)**

Our subject specialists track the broad spectrum of theoretical and applied sociology from the more than 1,800 discipline-specific and related journals published in North America, Europe, Asia, Africa, Australia, and South America.

**sa** and **SOPODA** each offer you in-depth abstracts and precise indexing of timely journal articles and books, enhanced dissertation listings, and a bibliography of book reviews from the journals screened.

**sa** and **SOPODA** are available together on the **sociofile** CD-ROM and are hosted online by BRS, DATA-STAR, DIALOG, and DIMDI. Hardcopy subscriptions can be ordered from the address below.

The **sa** and **SOPODA** information products are supported by:

- Database-specific user manuals
- The latest journal coverage list
- The **sociofile** Quick Reference Guide and User's Handbook
- The **Thesaurus of Sociological Indexing Terms**
- Your Guide to Searching **sa** using a Personal Computer
- A professional workshop program

The **sa** family of databases — your fast track to the information you need, in the format you want.

**sociological abstracts, inc.**
p.o. box 22206 • san diego, ca 92192-0206
phone (619) 695-8803/FAX (619) 695-0416/Help Desk (800) 752-3945




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Rashi Fein**

# NATIONAL HEALTH INSURANCE

## Telling the Good from the Bad

The problems of the American health care system have been with us a long time. In 1948 Harry Truman fought for National Health Insurance (NHI); in the 1950s and 1960s political efforts concentrated on Medicare, yet even that was viewed as a building block toward NHI; in the 1970s dozens of congressmen sponsored NHI proposals, as did Presidents Nixon, Ford, and Carter. Interest in health care reform, dormant since the early 1980s, has revived as the problems of inequitable access and of cost increases have grown.

In those earlier periods there was a consensus that we were close to enacting comprehensive national health insurance legislation. Though there were wide differences among the various bills, their very presence seemed evidence that everyone agreed there was a real problem. It was easy (and, as it turned out, incorrect) to assume that such agreement would lead to enactment of legislation.

This bit of history is informative. It reminds us not to lose our perspective. The fact that many Democrats and some Republicans have introduced health care reform legislation does not mean that one or another bill will command a majority in Congress and be veto-proof. The fact that Harris Wofford's victory in Pennsylvania was attributed to his stand in favor of some form of National Health Insurance does not ensure a serious national debate on the alternative approaches. Nevertheless, the problem is so real and affects so many of us that there is a chance that the electorate will force those who run for office to debate seriously the merits of various "solutions." There is even a chance that those who are elected will be forced to act.

If there is to be change, three major preconditions will need to be satisfied.

The first is that there be a general acceptance that the health care/insurance situation is a mess and "something has to be done." We are close to meeting that precondition—my hesitation in saying that "we are already there" derives from an inability to match the words and deeds of the White House incumbent: on December 6, 1991, President Bush stated, "I do think the time has come for the administration to come forward with a comprehensive program." Yet, both before and since, he has behaved as if he believes that "the time has come" because there is political pressure rather than because there are real social needs.

The president excepted, there is today a greater understanding of the importance of health care issues than ever before. True, different observers have different priorities: the uninsured, the underinsured, reform of the small-business insurance market, doing something about "pre-existing conditions," reducing administrative costs and paperwork, increasing access to quality care, containing costs, and sharing these costs in a more equitable manner. Yet those different perceptions of the problem—which can be roughly grouped under two major headings: (1) equity and (2) costs—make for wider support for change and for new political coalitions. Nevertheless, it is important to recognize that there is as yet no evidence that there is such support in Congress.

It is worth stressing one political fact (which seems to be overlooked by senior congressional Democrats): there is a major new ally in the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

battle for NHI, the middle class. Most Pennsylvanians who voted for Harris Wofford had insurance. They were voting their fears: their fear of losing jobs, and, thereby, insurance; their fear of cutbacks in benefits; their concerns about costs and the impact on potential wage increases. And perhaps they were also concerned about the uninsured.

Pennsylvania demonstrates that health insurance has become a middle-class issue that focuses on costs and the fear of losing insurance more than the problem of the uninsured. People with insurance want change because *they* are hurting. This has significant implications if we want to define an NHI plan that would be politically appealing as well as socially useful. Put simply: a program that addresses only the needs of the uninsured and places little emphasis on cost containment would be inadequate and irresponsible. If one assumes a reasoned debate, such a program would be unappealing to the vast majority of voters. Put crassly, it would convert a middle-class issue into one more "welfare" program. That is not a recipe for political success.

That brings me to the second point: the need for a reasoned debate. Experience tells us that meeting that need cannot be taken for granted. Even worse: the issues tempt sloganeers to use labels that obfuscate rather than illuminate—remember the slogans used against Truman's "socialized medicine" proposal, which, according to the American Medical Association, was supported by "the Federal Security Administration; the President; all who seriously believe in a Socialistic State; every left-wing organization . . . the Communist Party." On December 6, 1991, President Bush, speaking in Ontario, California, stated: "When I hear people say what we ought to do is put the Canadian system into effect, I think they're wrong. I think we've got the best quality health care in the world and I don't want to see that diluted by socializing our medical treatment and diminishing the choice for individuals about going to their own doctor." A month later Louis Sullivan, secretary of Health and Human Services, stated that proposals sponsored by Senate Majority Leader George Mitchell and Chairman of the House Ways and Means Committee Dan Rostenkowski—proposals that many would criticize as insufficiently bold—"would constitute a fatal first step . . . toward nationalized medicine."

So we are back to the old slogans about "socialized medicine." And back to misstatements of facts: it is Canadians who get to choose their own physicians; it is Americans whose choices are increasingly restricted as employers select insurance/delivery systems under managed care agreements. We face the prospect of a Willie Horton-like "debate."

That brings me to the third point: what *are* the critically important characteristics of the kind of program we should favor? What should we be working for?

It is not enough for candidates to say they are in favor of a comprehensive national health insurance plan. That doesn't define their program. One reason we haven't made progress is that there is not yet an agreed-upon definition, something that might be termed a "set of principles." We must know what we should use as a template by which to judge the various proposals. The critical elements are the following:

1. *Simplicity*. It is possible to design an elegant and extremely detailed system that attempts to anticipate every possible substantive and political problem. Such a design has its place, but that place is the classroom, not the political arena. If the program can't be understood; if the voter wonders how and whether it would really work; if the explanation leaves the listener at sea about what the program would do for her or him—we have, most probably, defined a program that can't muster the support required for enactment. We may even have defined a program so complex that, if enacted, it would not operate at an acceptable error rate in a nation as geographically, economically, and demographically diverse as ours. Complexity means error, and error undercuts the program's ability to survive.

That is not to say that everything about the program must be "simple." Not at all. The way Medicare pays physicians and hospitals is quite



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

complex, but that complexity need not be part of the basic description of a program for the aged and disabled. The essentials of the Medicare program (eligibility, financing, even benefits—though that is more true in the past than today) can be described in understandable terms. In 1965, senior citizens could, and did, organize and rally for Medicare because they understood the principles behind "health insurance for the aged." In 1991 we need a program that, like Social Security, Medicare, and free public education, sounds as if it was developed to respond to human needs, not to provide consulting contracts for technocrats.

2. *Universal enrollment.* Surely this seems obvious. For years, this was the single most important raison d'être for a national health insurance program: we searched for an equitable system in which everyone had the financial protection that enabled medical care to be a "right." Nevertheless, the term "universality" can have widely different definitions: Medicare is a universal program that (with minor exceptions) covers all individuals over sixty-five years of age. Similarly, the Canadian health care financing system is universal: all individuals resident in a particular province are automatically covered by the single provincial program.

What, however, should we make of American proposals that would call for all persons to have financial protection but would provide that protection through a large number of different plans: Medicare; Medicaid; employer-sponsored insurance; as well as special plans for the unemployed, those not connected to the labor force, those who work part-time, those who work for employers who find the cost of employee health insurance premiums onerous, if not prohibitive; and so on? What do we term plans that require employers to make insurance "available" to the employee but permit pressure on the employee not to purchase the insurance? Is something universally available if the amount the individual would have to contribute is so high as to be prohibitively expensive? To call a mélange of programs "universal" is to accept the loosest of definitions of adequate health insurance. It is also to recognize that with the required "sorting" of individuals into a multiplicity of programs some would fall between the cracks and be without coverage for periods of time (even for such "benign" reasons as a change in employment or place of residence).

The debate on NHI should begin with agreement that universal means that everyone is enrolled in the same program. Certainly we can "compromise" and retain Medicare as a separate program without doing violence to universality. But we should recognize that the "play or pay" approaches (sponsored by various senior Democrats) that attempt to achieve equity while retaining today's link between employment and insurance would involve costly complexity, expensive data systems, and the perpetuation of misallocations of resources from health care to administration. Such approaches do help "most of the people most of the time," but that is not good enough. We should aspire to more.

Everyone should have the same level of protection and, ideally, be enrolled in the same program. If the political system forces compromises, those should be judged in terms of how far they take us from that ideal. If multiple programs are erected in order to phase the program in over a period of time, they might well be related to age or geographic location, but we must not permit them to be income related. Preserving Medicaid or other income-related programs funded separately through budgetary appropriations is to assure the continuation of multiple-tier medicine. Inevitably, "public" programs would be under-funded and access to care restricted.

Thus, universality—achieved through a single program—is to be favored not only because it is simpler and cuts down administrative costs (which are very much higher in the United States than in other countries and are the most rapidly growing part of our health sector expenditures). Universality should be our goal because the best protection for the poor and the disenfranchised is to be enrolled in the same program that serves the rest of the community. There is an important lesson in the fact that Social Security fares better than welfare and Medicare better than Medicaid.

3. *Public administration.* A single universal program covering all Americans does not



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

require (or, indeed, leave room for) the underwriting function now performed by individual insurance companies. In a universal program, risks would be shared by the entire community; there would be no place for insurance company "competition" that results in the rejection of subscribers perceived to have above average health care risks and unwillingness to cover costs stemming from "pre-existing conditions." A publicly administered program would eliminate the marketing and many of the administrative costs inherent in today's system involving over one thousand insurance companies. It is clear that the elimination of private commercial health insurers (even the retention of a much reduced role as financial intermediaries, as in Medicare) would be resisted by private insurers and their employees. Although it is true that many employees could and would find employment in the single universal program, there is need for an active employment policy, one with retraining and labor market programs. A more efficient health care system would benefit most Americans. We should be prepared to share those gains by assisting the small minority whose jobs would be at risk.

4. *Comprehensive benefits*. The program we advocate must be comprehensive. The game is not worth the candle if we are offered a program that is limited to "catastrophic" care. So, too, with programs that set low maxima to the protection they offer (for example, ten days of hospital care or five physician visits per annum). What we seek is a program that provides for "such physician and hospital care as is medically necessary"—and that includes preventive care. There will be debate about coverage for drugs, eyeglasses, foot care, dental care, and long-term care, as well as about mental health services. Our goal ought to be as comprehensive as possible, to adopt a timetable for the phasing in of benefits not included in the first phase—and not to place patients or caregivers in a position where the coverage for important services is limited, thereby making these available only to those who can afford them.

It goes without saying that a national health program must address the need for long-term care. The differences between long-term care (both in and out of institutions) and acute and preventive care are many and call for differences in funding and eligibility. It may be that a long-term care program should be enacted separately rather than as part of an NHI proposal. But it needs to be "on the table" even as the NHI debate moves forward, especially since the abolition of Medicaid would remove the largest source of governmental support for long-term care.

5. *Minimal cost-sharing*. There is an unfortunate long-standing tradition in American private and public health insurance: the use of deductibles, co-insurance, and co-payment provisions that require patients to pay for part of the care they receive. The belief, especially among U.S. economists, in the virtues of cost-sharing is deep-seated. It pays homage to the view that people don't "appreciate" the services they receive except as they pay for them; to the view that there is something immoral and anti–free enterprise if services are "free" (of course, given waiting time and costs of transportation, they're never free); to the view that without payment, there is no barrier to utilization (to many economists noneconomic barriers simply don't play a role), and, therefore, demand would be "infinite" and we'd "break the bank." Thus cost-sharing is defended as: (1) moral and "educational" and (2) a useful cost-containment measure.

The idea that somehow one can achieve a level of cost-sharing just sufficient to dissuade patients from "unnecessary" services but not so great as to interfere with needed care and that, somehow, that level will work "correctly" for all of us though our incomes, access to services, culture, and traditions differ is ludicrous. Little wonder that Canadians long ago rejected cost-sharing.

Of course, cost-sharing has an important political attraction: the more that can be collected from patients, the less that has to be paid for through insurance premiums or taxes. Thus, the temptation to seek the necessary funds from many pockets. Since our incomes and needs differ, such devices impinge negatively on equity and, because of the costs of administration, may even increase the level of



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

total expenditures. If the political process requires some cost-sharing so that the plan be seen as "American," we should insist that the level be so small that it has a trivial impact on equity and on the use of preventive services. Few current proposals have cost-sharing levels that meet that test.

In considering cost-sharing we should be clear that balance billing—the physician's ability to charge more than the approved fee and bill for the balance between the charge and the reimbursement—should not be permitted. Such devices (already being reduced in Medicare and banned in Canada) are at variance with the goal of equity. They permit the continuing existence of multiple-tier medicine and (by encouraging government to underpay and physicians to overcharge) lead to the withering away of the universal program.

6. *Progressive funding.* The methods by which a national health insurance program would be financed will vary with the enrollment structure adopted. A national unitary program would necessarily be funded in a very different way than would the Mitchell and Rostenkowski programs that rely on a mix of public and employer-based private insurance. We should strive for a system that raises the required funds through taxes (rather than insurance premiums). Taxes, at least in principle, can be related to ability to pay. Twenty years ago the social insurance Kennedy-Griffiths NHI bill proposed a mix of payroll and income taxation. That approach remains meritorious: some payroll tax so as to create the symbolism and associated political strength of "benefits" and "beneficiaries" (as with Social Security and Medicare) but largely dependent on income tax receipts because already high payroll taxes are regressive at worst and at best approach proportionality (that is, when there is no wage base cap and when our frame of reference is wages rather than total income).

7. *Cost containment.* A national health insurance program that provides useful benefits in an equitable manner but that fails to address the question of costs is irresponsible and dangerous. At earlier times I and others were quite willing to worry about benefits and equity even though we recognized that resultant expenditures would be unnecessarily high. We believed we could assume that if expenditures became irresponsibly high, the body politic would enact necessary control measures. And, after all, wasn't it worth wasting money to achieve equity?

I argued that way in 1971 when U.S. national health expenditures totaled $84 billion and represented 7.7 percent of our Gross National Product (GNP). In 1991, however, it is estimated that expenditures totaled $738 billion and 13.1 percent of the GNP (and, given the state of our GNP, that may well be an underestimate). Clearly one should hesitate to sign a blank check to the U.S. health sector. Its capacity to absorb additional funds is greater than any of us—other than Defense Department aficionados—could have imagined.

The need for control measures arises because expenditures for health care are growing much more rapidly than in other nations. They drive out necessary expenditures in other social and economic areas. The government's expenditures on health care are limiting its ability to fund education and the renewal of our public infrastructure. Industry's need to meet health insurance costs for current and already retired employees constrains expenditures for research and development.

Our short-run prospects, as well, are hurt: a high percentage of collective bargaining disputes now revolve around health insurance issues. Frictions are bound to arise as workers fight to retain benefits that are becoming more valuable as a consequence of cost increases, while management fights to reduce ever more costly benefits. Under their countries' national health plans, establishments abroad do not face the health insurance costs faced here at home (President Bush would have done more for American car manufacturers and UAW members had he pledged his support for NHI rather than pleading with the Japanese for an aid package).

Cost-containment issues are difficult to discuss because slowing down spending increases sounds like (or can be attacked by those who insist it means) a decline in quality, an increase in waiting lines, the early signs of



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

rationing. Thus, most "establishment" proposals avoid talking in specific terms about cost containment mechanisms. The fact, however, is that the quality of health care is declining rapidly under existing arrangements where we attempt to contain costs by "controlling" physician behavior by questioning their clinical decisions, and forcing them to justify every action that falls outside some narrow limits. When clinical judgment about the needs of individual patients is questioned on the basis of cost and physicians spend their time justifying the "extra" day in hospital, the additional visit or test, to a person at the other end of a telephone line, we hardly have a prescription for quality care.

The fact also is that even today there is rationing, but that rationing is not the kind that shares scarce products in an equitable manner based on need. It is the price-based rationing of the commercial marketplace. None of us thirsts for waiting lines, but we should note that they provide visible evidence of the gaps between needs, demand, and supply. Visible gaps can lead to action and response. Our present system hides those gaps by "rationing" people out. Thus it makes those of us with access feel comfortable and, by covering up the real problems, supports inaction.

I know no way to achieve cost containment without relying on a budget. Yes, there are many ways to try to deal with hospital per-diems and physician fees, and I do not mean to imply that these various approaches are of no value. Yet truly effective cost containment requires the adoption of budgets. In a democratic society the debate around budgets--which really is a debate about the resources to be devoted to *medical* care and the resources for other things (of which many, for example, education, food, housing, may do even more for *health* care) is the best protection we have against the twin dangers of over- and under-funding.

Within the macro budget, we should demand systems of negotiated prospective hospital budgets and capped physician payments. Both of these mean that providers are paid in a manner unrelated to the number of specific services they provide and, thus,with that link broken, the need for claims and claim forms is vastly reduced. The monetary savings—tens of billions of dollars—can then be used to increase services to the population at need.

Cost containment is not only good social policy but good politics. It is no exaggeration to say that there are many in the business community—particularly in large manufacturing firms—who could be enlisted in the effort to enact NHI if they saw the benefit of cost containment. Our forces are not so powerful as to permit us to write off these potential allies (and the "respectability" they confer on our cause).

8. *"Opting out."* In striving for a program whose universal characteristics do not atrophy over time, we must address the issue of "opting out" by patients and physicians. I do not speak about free choice of physicians, which should of course be maintained, but about the right of individuals to use the system when they prefer and, at other times, to step outside and buy services they perceive as "better" or more readily available outside the publicly financed/insured sector (thus "jumping the line"). I also speak of the right of physicians to see "private" as well as "public" patients and to decide how much of their effort to devote to each kind of patient (more correctly, to patients with these alternative funding sources).

The program would be "simpler" if it were possible to insist on a single system of care, a single system of (public) funding, and a ban on private care and private payment. To do so would be to fly in the face of realism: every other nation has found it necessary (or advantageous) to permit a private sector "escape valve." Surely in the United States, a country with a long tradition—for example, in education—of private sector options coexisting with publicly financed services, we will need to permit "opting out." Nevertheless, in order to keep the program strong over the long run, we must be careful to maintain the quality of the publicly funded program by minimizing the possible advantages of opting out.

We should require that (as with education) taxes for the program be paid by all, including those who prefer privately funded services. We



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

should require—as is done in Canada and other nations—that providers elect to be in or out of the program but not be permitted to be both in (for some patients) and out (for others) at the same time—thereby behaving in ways that maximize their incomes at the expense of equity. We should make utilization rates for privately funded care public so that, should those rates grow, the body politic is forced to react to the perceived growing disparity between the publicly and privately funded sectors. The system can accommodate a stable "leakage"; it cannot remain viable if that leakage keeps growing. The best way to inhibit growth of the privately funded sector is to maintain the quality of the publicly supported sector.

There are numerous other characteristics that health experts would look for in a quality national health insurance plan. Details do matter, and in the politics of legislation it is often the case that what the nouns give the adjectives take away. Nevertheless, I believe I have presented the major criteria that non-expert citizens can use to judge NHI proposals. These criteria call for restructuring, not reform. If they were the basis for action, we'd have a publicly administered, tax-based, universal, and comprehensive program that was equitable in its benefit-cost structures, and that worked to contain costs. We'd have what in today's terminology is a single-payer, not a play-or-pay system. Of course, since the existing flow of dollars is not the only obstacle to equitable access, we'd need to retain (indeed, expand) existing special programs for populations whose social conditions severely impinge on their need for medical care—populations with a special need for prenatal care, maternal and child health services, clinical and social interventions to assist in fighting AIDS, and so forth. NHI is necessary but not sufficient, and we must recognize that the barriers to health and to health care are *not* solely those of economics, money, and insurance.

Certainly the political world will require compromise. Some compromises will be better than others; some will "merely" add complexity and costs while others will be destructive. This, however, is not yet the time for compromise. We are at the beginning of a debate, and are not yet certain what will be "politically realistic." By setting forth a plan for the best-of-worlds and by formulating a debate around those goals we can help expand what our representatives view as politically realistic.

There will be time enough for consensus and compromise. Now is the time to press those Democratic candidates who tell us they favor NHI but prefer not to tell us what that means for their commitment to restructuring. We know they will be pressed from the right. Is there any question where they'll move if there is no pressure from the left? It is up to us to apply that pressure. □

Coming in the Summer Issue

The African Experience: A special issue
edited by Mitchell Cohen & Martin Kilson



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Michael Walzer**

# THE NEW TRIBALISM

## Notes on a Difficult Problem

All over the world today, but most interestingly and frighteningly in Eastern Europe and the Soviet Union, men and women are reasserting their local and particularist, their ethnic, religious, and national identities. The tribes have returned, and the drama of their return is greatest where their repression was most severe. It is now apparent that the popular energies mobilized against totalitarian rule, and also the more passive stubbornness and evasiveness that eroded the Stalinist regimes from within, were fueled in good part by "tribal" loyalties and passions. How these were sustained and reproduced over time is a tale that waits to be told. The tribes—most of them, at least, and all the minorities and the subject nations—were for several generations denied access to the official organs of social reproduction: the public schools and the mass media. I imagine tens of thousands of old men and women whispering to their grandchildren, singing folk songs and lullabies, repeating ancient stories. This is in many ways a heartening picture, for it suggests the inevitability of totalitarian failure. But what are we to make of the songs and stories, often as full of hatred for neighboring nations as of hope for national liberation?

The left has never understood the tribes. Faced with their contemporary resurgence, the first response is to argue for their containment within established multinational states—democratically transformed, of course, but not divided. This looks very much like a systematic repetition of the response of early twentieth-century social democrats to the nationalist movements that challenged the old empires. The "internationalism" of the left owes a great deal to Hapsburg and Romanov imperialism, even if leftists always intended to dispense with the dynasties. So many nations lived together in peace under imperial rule: why couldn't they continue to live together under the aegis of social democracy? So many nations lived together in peace under communist rule: why . . .? When Western Europe is forging a new unity, how can anyone defend separation in the East?

But unity in the West is itself the product of, or at least the historical successor to separation. The independence of Sweden from Denmark and, centuries later, of Norway from Sweden (and of Finland from Sweden and Russia) opened the way for Scandinavian cooperation. The division of Belgium and Holland, and the failures of French imperialism, made possible the Benelux experiment. Centuries of sovereignty for the great states of Western Europe preceded the achievement of European community. It is important to note that what was achieved first, before community, was not only sovereign statehood but also democratic government. The Swedes could have held Norway indefinitely under one or another form of authoritarian rule. But the practice of democracy, even in its earliest stages, made it clear that there was more than one *demos*, and then separation became necessary if democracy was to be sustained. The case is the same in the East. Multinationalism as it has existed there is a function of predemocratic or antidemocratic politics. But bring the "people" into political life and they will arrive, marching in tribal ranks and orders, carrying with them their own languages, historic memories, customs, beliefs, and com-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mitments. And once they have been summoned, once they have arrived, it isn't possible to do them justice within the old political order.

Maybe it's not possible to do them justice at all. In Eastern Europe today, and in Caucasia, and in much of the Middle East, the prospects don't seem bright, given the sheer number of suddenly raucous tribes and the radical entanglement of their members on the same bits and pieces of land. Good fences make good neighbors only when there is some minimal agreement on where the fences should go. In the West, powerful states were created before the appearance of nationalist ideology, and they managed to repress and incorporate many of the smaller nations (Welsh, Scots, Normans, Bretons, and so on). The separations I have already noted took place alongside constructive processes that created large nation-states with more or less identifiable boundaries and more or less committed members. Similar efforts in Eastern Europe seem to have failed: there aren't many committed Yugoslav or Soviet citizens. The abandonment of these identities is startling in its scope and speed, and it leaves many people who had traveled under their protection suddenly vulnerable: Serbs in Croatia, Albanians in Serbia, Armenians in Azerbaijan, Russians in the Baltic states, Jews in Russia, and so on, endlessly.

There doesn't seem to be any humane or decent way to disentangle the tribes, and at the same time the entanglements are felt to be dangerous—not only to individual life, which is reasonable enough, but also to communal well-being. Demagogues exploit the hopes for national revival, linguistic autonomy, the free development of schools and media—all supposedly threatened by cosmopolitan or antinational minorities. And other demagogues exploit the fears of the minorities, defending ancient irredentisms and looking (like the Serbs in Croatia) for outside help. In such circumstances, it is hard to say what justice means, let alone what policies it might require. Hence the impulse of the left, uncomfortable in any case with particularist passions, to cling to whatever unities exist and make them work. The argument is very much like that of a Puritan minister in the 1640s, defending the union of husband and wife against the new doctrine of divorce:

> If they might be separated for discord, some would make a commodity of strife; but now they are not best to be contentious, for the law will hold their noses together 'til weariness make them leave off struggling. . . .

The problem, then as now, is that justice, whatever it requires, doesn't seem to permit the kinds of coercion that would be necessary to "hold their noses together." So we have to think about divorce, despite its difficulties. It is some help that divorce among nations needn't have the singular legal form of divorce in families. Self-determination for husbands and wives is relatively simple, even when important constraints are imposed upon the separated individuals. Self-determination for the many different kinds of tribes (nations, ethnic groups, religious communities) is bound to be more complicated, and the constraints that follow upon separation more various. There is room for maneuver.

I doubt that we can find a single rule or set of rules that will determine the form of the separation and the necessary constraints. But there is a general principle, which we can think of as the expression of democracy in international politics. What is at stake is the value of a historical or cultural or religious community and the political liberty of its members. This liberty is not compromised, it seems to me, by the postmodern discovery that communities are social constructions: imagined, invented, put together. Constructed communities are the only communities there are; they can't be less real or less authentic than some other sort. Their members, then, have the rights that go with membership. *They ought to be allowed to govern themselves*—insofar as they can do that, given their local entanglements.

Democracy has, of course, no natural units. Self-determination has no absolute subject. Cities, nations, federations, immigrant societies—all these can be and have been governed democratically. The contemporary tribes most certain of their singular identity and culture (the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Poles or Armenians, say) are in fact historical composites. If we go back far enough in their history, we will find people's noses being held together (that's one of the methods of social construction). But if the descendants of these people, forgetting ancient indignities, regard themselves now as *fellow* members of a "community of character," within which they find identity, self-respect, and sentimental connections, why should we deny them democratic self-government?

Except . . . unless . . . were it not for the fact that the self-government of tribe A, happily divorced, makes tribe B a vulnerable and unhappy minority in its own homeland. Locked into an independent Croatia, Serbs believe (not implausibly) that they will live in insecurity. And then, surely, the political unit has to be territorial, not cultural: all the tribes and fragments of tribes that live *here*—noses held together 'til they leave off struggling—must come under the authority of a neutral state and share a characterless citizenship. But these can't be our only options: the dominance of one tribe or a common detribalization. For the second of the two, if it isn't a mere cover for the first, would require coercion of a sort that, as I have already suggested, is neither morally permissible nor politically effective. We would not be worrying about Croatia and its Serbs, after all, if Yugoslavia had succeeded in imposing itself upon its constituent nations; it was, in theory at least, the very model of a neutral state.

Neutrality is likely to work well only in immigrant societies where everyone has been similarly and in most cases voluntarily transplanted, cut off from homeland and history. In such cases—America is the prime example—tribal feelings are relatively weak. But how can one create a neutral state in France, say, where the anciently established French rule democratically over the new immigrants from North Africa (even though the immigrants, many of them, hold "French" citizenship)? What imperial, bureaucratic, or international authority could detribalize the French? Or the Poles in Poland? Or the Georgians in an independent Georgia? Or the Croats in Croatia? And then the only way to avoid domination is to multiply political units and jurisdictions, permitting a series of separations. But the series will be endless—so we are told—each divorce justifying the next one, smaller and smaller groups claiming the rights of self-determination; and the politics that results will be noisy, incoherent, unstable, and deadly.

I want to argue that this is a slippery slope down which we need not slide. In fact, there are many conceivable arrangements between dominance and detribalization and between dominance and separation—and there are moral and political reasons for choosing different arrangements in different circumstances. The principle of self-determination is subject to interpretation and amendment. What has been called "the national question" doesn't have a single correct answer, as if there were only one way of "being" a nation, one version of national history, one model of relationships among nations. History reveals many ways, versions, and models, and so it suggests the existence of many (more or less secure) stopping points along the slippery slope. Consider now some of the more likely possibilities.

The easiest case is that of the "captive," that is, recently and coercively incorporated, nation—the Baltic states are nice examples, since these were genuine nation-states, the nationality ancient even if statehood was only recently achieved and briefly held. The captivity was wrong for the same reasons that the capture was wrong. The principle involved is the familiar one that makes aggression a criminal act. What it requires now is the restoration of independence and sovereignty—which is to say: what principle requires is what practice in this case has achieved. And by a kind of imaginative extension, we can grant the same rights to nations that *ought to have been* independent, where the solidarity of the group is plain to see and the crime of the ruling power is national oppression rather than conquest. I see no reason to deny the justice of separation in all such cases.

Except . . . unless . . . . Conquest and oppression are not merely abstract crimes; they



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have consequences in the real world: the mixing up of peoples, the creation of new and heterogeneous populations. Suppose that Russian immigrants now made up a majority of the people living in Latvia: would any right remain of Latvian self-determination? Suppose that French colonists had come (by 1950, say) to outnumber the Arabs and Berbers of Algeria: would the right of "Algerian" self-determination reside with the French majority? These are doubly hard questions; they are painful and they are difficult. The world changes, not necessarily in morally justifiable ways; and rights can be lost or, at least, diminished through no fault of the losers. We might want to argue for partition in cases like the ones I've just described, leaving the "natives" with less than they originally claimed; or we might want to design a regime of cultural autonomy instead of the political sovereignty that once seemed morally necessary. We look for the nearest possible arrangement to whatever was *ex ante* just, taking into account now what justice requires for the immigrants and colonists, or their children, who are not themselves the authors of the conquest or the oppression.

The case is the same with anciently incorporated nations—aboriginal peoples like the Native Americans or the Maori in New Zealand. Their rights too are eroded with time, not because the wrong done to them is wiped out (it may well grow greater, with increasingly deleterious effects on their communal life), but because the possibility no longer exists for the restoration of anything remotely resembling their former independence. They stand somewhere between a captive nation and a national, ethnic, or religious minority. Something more than equal citizenship is due them, some degree of collective self-rule, but exactly what this might mean in practice will depend on the residual strength of their own institutions and on the character of their engagement in the common life of the larger society. They cannot claim any absolute protection against the pressures and attractions of the common life—as if they were an endangered species. Confronted with modernity, all the human tribes are endangered species. All of them, whether or not they possess sovereign power, have been significantly transformed. We can recognize what might be called a right to resist transformation, to build walls against modern culture, and we can give this right more or less scope depending on constitutional structures and local circumstances; we cannot guarantee the success of the resistance.

The just treatment of national minorities depends on two sets of distinctions: first, between territorially concentrated and dispersed minorities; and second, between minorities radically different from and those that are only marginally different from the majority population. In practice, of course, both distinctions are really unmarked continuums, but it is best to begin with the clear cases. Consider, for example, a minority community with a highly distinctive history and culture and a strong territorial base—like the Albanians in Kosovo, for example. Their fellow nationals hold the adjoining state; they are trapped on the wrong side of the border as a result of some dynastic marriage or military victory long ago. The humane solution to their difficulty is to move the border; the brutal solution is to "transfer" the people; and the best practical possibility is some strong version of local autonomy, focused on cultural and educational institutions and the revenues that support them.

The opposite case is that of a marginally differentiated and territorially dispersed community, something like the ethnic and religious groups of North America (though there are exceptions in both categories: the ethnic French in Quebec, say, and the religious Amish in Pennsylvania). By and large, the experience of marginal difference and territorial dispersion gives rise to very limited claims on the state—a good reason for doubting the dangers of the slippery slope. A genuinely equal citizenship and the freedom to express their differences in the voluntary associations of civil society: this is what the members of such minorities commonly, and rightly, ask for. They may also seek some kind of subsidy from state funds for their schools, day-care centers, old-age homes, and so on. But that is a request that hangs more on political judgments than on moral principles. We will have to form an opinion about the inner strengths and weaknesses of the existing



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

civil society. (A group that has been severely discriminated against, however, and whose access to resources is limited, does have a moral claim on the state.)

Once again, majorities have no obligation to guarantee the survival of minority cultures. They may well be struggling to survive themselves, caught up in a common competition against commercialism and international fashion. Borders provide only minimal protection in the modern world, and minorities within borders, driven by their situation to a preternatural closeness, may do better in sustaining a way of life than the more relaxed majority population. And if they do worse, that is no reason to come to their rescue; they have a claim, indeed, to physical but not to cultural security.

The adjustment of claims to circumstances is often a long and brutal business, but it does happen. We see it today, for example, in the geographically concentrated but only marginally different nations of Western Europe—Welsh, Scots, Normans, Bretons, and so on—whose members have consistently declined to support radical nationalist parties demanding independence and sovereign power. In cases like these, some sort of minimalist regionalism seems both to suit the people involved (small numbers of them—political, not ethnic or religious, minorities—always excepted) and to be politically and morally suitable. The case is the same with small or dispersed but significantly different populations, like the Amish or like orthodox Jews in the United States, who commonly aim at a highly localized and apolitical separatism: segregated neighborhoods and parochial schools. This too seems to suit the people involved, and it is politically and morally suitable. But no theory of justice can specify the precise form of these arrangements. In fact, the forms are historically negotiated, and they depend upon shared understandings of what such negotiations mean and how they work. The Welsh and Scots have had a hand in the development of British political culture, even if this is not quite the hand they think they ought to have had. Hence their ready adjustment to parliamentary politics. Both the Amish and the Jews have learned, and added to, the repertoire of American pluralism.

Arrangements of these sorts should always be allowed, but they can't be imposed. What has made *Great* Britain possible is probably the common Protestantism of its component nations. The effort to include the Irish failed miserably. Today, the inclusion of the Slovenes in greater Yugoslavia seems to have failed for similar reasons. The case is the same for the failure of communist internationalism in Poland and pan-Arabism in Lebanon. But I don't mean to argue that the religious differences crucial in all these cases necessarily make for separation. Sometimes they do and sometimes they don't. The differences are different in each case. They have more to do with memory and feeling than with any objective measure of dissimilarity. That's why models like my own, based on such factors as territorial concentration and cultural difference, can never be anything more than rough guides. We have to work slowly and experimentally toward arrangements that satisfy the members (not the militants) of this or that minority. There is no single correct outcome.

This experimental work is certain to be complicated by the unequal economic resources of the different tribes. It is obviously an incentive to divorce if one of the partners—a nation, say, industrially advanced or in control of mineral resources—can improve its position by walking away from the existing union. The other partners are left worse off, though some of them, at least, were never involved in any sort of national oppression. They will contest the divorce, but what they are probably entitled to, it seems to me, is the international equivalent of alimony and child support. Long-established patterns of cooperation cannot be abruptly terminated to the advantage of the most advantaged partners. On the other hand, the partners are not bound to stay together forever—not if they are, in fact, different tribes, who meet the democratic standards for autonomy or independence.

Often enough, separatist movements in the economically advantaged provinces or regions of some established union do not meet those



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

standards. The best example is the Katangan secession of 1961, inspired, it appears, by Belgian entrepreneurs and corporate interests, without locally rooted support or, at least, without any visible signs of national mobilization. In such cases, it is entirely justifiable for unionist forces to resist the secession and to seek (and receive) international support. Obviously, there is such a thing as inauthentic tribalism: here, the manipulation of potential but not yet politically realized differences for economic gain. It doesn't follow, however, that every wealthy or resourceful tribe is inauthentic. And so there are also cases in which resistance to secession is not justified and should not be internationally supported—so long as some agreement can be negotiated that meets the interests of the people left behind. Their fear of impoverishment must be weighed against the fear of oppression or exploitation on the part of the seceding group or against its desire for cultural expression and political freedom.

The dominant feeling that makes for national antagonism, the most important cause (not the only cause) of all the tribal wars, is fear. Here I mean to follow an old argument first made in Thomas Hobbes's *Leviathan,* where it forms part of the explanation for the "war of all against all." Hobbes was thinking of the internal wars of late medieval "bastard feudalism" but also—more pertinently for our purposes—of the religious wars of his own time. There are always a few people, he writes, who "take pleasure in contemplating their own power in acts of conquest." But the greater number by far are differently motivated: they "would be glad to be at ease within modest bounds." These ordinary men and women are driven to fight not by their lust for power or enrichment, not by their bigotry or fanaticism, but by their fear of conquest and oppression. Hobbes argues that only an absolute sovereign can free them from this fearfulness and break the cycle of threats and "anticipations" (that is, preemptive violence). In fact, however, what broke the cycle, in the case of the religious wars, was not so much political absolutism as religious toleration.

The two crucial seventeenth-century arguments against toleration sound very familiar today, for they closely parallel the arguments against national separation and autonomy. The first of the two is the claim of the dominant religious establishments to represent some high value—universal truth or the divine will—that is certain to be overwhelmed in the cacophony of religious dissidence. And the second is the slippery slope argument: that the dissidence will prove endless and the new sectarianism endlessly divisive, split following split until the social order crumbles into incoherence and chaos. Certainly, toleration opened the way for a large number of new sects, though these have mostly flourished on the margins of more or less stable religious communities. But it also, and far more importantly, lowered the stakes of religious conflict: toleration made divisiveness more tolerable. It solved the problem of fear by creating protected spaces for a great diversity of religious practices.

It seems to me that we should aim at something very much like this today: protected spaces of many different sorts matched to the needs of the different tribes. Rather than supporting the existing unions, I would be inclined to support separation whenever separation is demanded by a political movement that, so far as we can tell, represents the popular will. Let the people go who want to go. Many of them won't go all that far. And if there turn out to be political or economic disadvantages in their departure, they will find a way to reestablish connections. Indeed, if some sort of union—federation or confederation—is our goal, the best way to reach it is to abandon coercion and allow the tribes first to separate and then to negotiate their own voluntary and gradual, even if only partial, adherence to some new community of interest. Today's European Community is a powerful example, which other nations will approach at their own pace.

But—again—one nation's independence may be the beginning of another nation's oppression. It often seems as if the chief motive for national liberation is not to free oneself from minority status in someone else's country but to acquire (and then mistreat) minorities of one's own. The standard rule of intertribal relations is: do unto others what has been done to you. Arguing for liberation, I have largely ignored the consistent failure of



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

new nation-states to meet the moral test of the nation that comes next, to recognize in others the rights vindicated by their own independence. I don't mean to underestimate the nastiness of tribal zealots. But weren't the zealots of the religious wars equally nasty? And their latter-day descendants seem harmless enough—not particularly attractive, most of them, but also not very dangerous. Why shouldn't the same sequence, harmlessness following upon nastiness, hold for contemporary nationalists? Put them in a world where they are not threatened, and for how long will they think it in their interests to threaten others?

That at least is the Hobbesian argument. No doubt there are men and women in every tribe—Serbs and Croats; Latvians, Georgians, and Russians; Greeks and Turks; Israeli Jews and Palestinian Arabs—who take pleasure in acts of conquest, who aim above all to triumph over their neighbors and enemies. But these people will not rule in their own tribes if we can make it possible for their compatriots to live "at ease within modest bounds." Every tribe within its own modest bounds: this is the political equivalent of toleration for every church and sect. What makes it possible—though still politically difficult and uncertain—is that the bounds need not enclose, in every case, the same sort of space.

Religious toleration, however, was enforced by the state, and the godly zealots were disarmed and disempowered by the political authorities. Tribal zealots, by contrast, aim precisely at empowerment; they hope to become political authorities themselves, replacing the imperial bureaucrats who once forced them to live peacefully with their internal minorities. Who will restrain them after independence? Who will protect the Serbs in an independent Croatia or the Albanians in an independent Serbia? I have no easy answer to these questions. In a liberal democracy, national minorities can seek constitutional protection. But not many of the new nations are likely to be liberal, even if they achieve some version of democracy. The best hope for restraint lies, I think, in federal or confederal checks and balances and in international pressure. The nationality treaties of the interwar period were notable failures, but some measure of success in protecting minorities ought to be possible if nation-states are sufficiently entangled with and dependent on one another. Suppose that the leaders of the European Community of the World Bank or even the United Nations were to say to every nation seeking statehood: we will recognize your independence, trade with you or provide economic assistance—but only if you find some way to accommodate the national minorities that fear your sovereign power. The price of recognition and aid is accommodation.

What form this accommodation might take is not a matter to be determined in any a priori way (I have to keep saying this because so many people are looking for a quick theoretical fix). It will depend on the character of the new states and on a process of negotiation. Secession, border revision, federation, regional or functional autonomy, cultural pluralism: there are many possibilities and no reason to think that the choice of one of these in this or that case makes a similar choice necessary in all the other cases. As the examples I have cited from Western Europe suggest, choices are more likely to be determined by circumstances than by abstract principles. What is required is an international consensus that validates a variety of choices, supporting any political arrangement that satisfies the tribes at risk.

But there is no guarantee of satisfaction, and, sometimes, watching the tribal wars, some of us may yearn for the uniform repressiveness of imperial or even totalitarian rule. For wasn't this repression undertaken in the name, at least, of universalism? And mightn't it have produced, had it only been sustained long enough, a genuine detribalization? And then we would look back and say that just as the absolutism of early modern monarchs was necessary to defeat the aristocracy and eliminate feudalism, so the absolutism of imperial and communist bureaucrats was necessary to overcome tribalism. Perhaps the bureaucracies collapsed too soon, before they could complete their "historical task." But this line of argument repeats again the left's misunderstanding of the tribes. It is



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

no doubt true that particular tribes can be destroyed by repression, if it is cruel enough and if it lasts long enough. The destruction of tribalism itself, however, lies beyond the reach of any repressive power. It is no one's "historical task." Feudalism is the name of a regime, and regimes can be replaced. Tribalism names the commitment of individuals and groups to their own history, culture, and identity, and this commitment (though not any particular version of it) is a permanent feature of human social life. The parochialism that it breeds is similarly permanent. It can't be overcome; it has to be accommodated, and therefore the crucial universal principle is that it must always be accommodated: not only my parochialism but yours as well, and his and hers in their turn.

When my parochialism is threatened, then I am wholly, radically parochial: a Serb, a Pole, a Jew, and nothing else. But this is an artificial situation in the modern world (and perhaps in the past too). The self is more naturally divided; at least, it is capable of division and even thrives on it. Under conditions of security, I will acquire a more complex identity than the idea of tribalism suggests. I will identify myself with more than one tribe; I will be an American, a Jew, an Easterner, an intellectual, a professor. Imagine a similar multiplication of identities around the world, and the world begins to look like a less dangerous place. When identities are multiplied, passions are divided.

We need to think about the political structures best suited to this multiplication and division. These won't be unitary structures; nor will they be identical. Some states will be rigorously neutral, with a plurality of cultures and a common citizenship; some will be federations; some will be nation-states, with minority autonomy. Sometimes cultural pluralism will be expressed only in private life; sometimes it will be expressed publicly. Sometimes different tribes will be mixed on the ground; sometimes they will be territorially grouped. Since the nature and the number of our identities will be different, even characteristically different for whole populations, a great variety of arrangements ought to be expected and welcomed. Each of them will have its usefulness and its irritations; none of them will be permanent; the negotiation of difference will never produce a final settlement. What this also means is that our common humanity will never make us members of a single universal tribe. The crucial commonality of the human race is particularism. With the end of imperial and totalitarian rule, we can at last recognize this commonality and begin the difficult negotiations it requires. □

the philosophical forum
A QUARTERLY

special double issue, Fall-Winter 1991-92:

LUCIEN GOLDMANN
Tragedy and Dialectics

Vol. XXIII, Nos. 1-2, $8.50

Lucien Goldmann, *Essays on Pascal, Piaget, Lukács & Heidegger*
Annie Goldmann, *Goldmann, Democracy, & Culture*
Michel Löwy, *Goldmann, Lukács, & the Tragic Worldview*
Dick Howard, *Kant, Goldmann, & Democracy*
Youssef Ishaghpour, *Lukács, Heidegger, & Goldmann*
Mitchell Cohen, *Goldmann in Romania*
Jacques Leenhardt, *Art, Theory, Wager*
Pedro Molina, *Tragic Marxist*

Editor: Marx Wartofsky
Guest Editor: Mitchell Cohen

SUBSCRIPTIONS
$15 per year for individuals
$45 per year for institutions
+ $4 for foreign subscriptions

recent special issues:
Hermeneutics $8.50
Latin American Philosophy $7.50
Fichte $7.50
Apartheid $7.50

the philosophical forum
Box 239
Baruch College
17 Lexington Av.
New York, NY 10010



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Moshe Lewin**

# RUSSIA: NATIONALISM & ECONOMY

## Canvassing Some Unprecedented Problems

*Moshe Lewin is one of the leading scholars of Soviet history in the United States, currently professor of history at the University of Pennsylvania. His books include* The Gorbachev Phenomenon, Lenin's Last Struggle, Russian Peasants and Soviet Power, *and* The Making of the Soviet System. Dissent *co-editor Mitchell Cohen interviewed him recently.*

**Cohen:** Was there an inherent contradiction in perestroika? Restructuring, but especially decentralizing, almost naturally had to bring forth the problem of nationalism and threaten a breakup of the Soviet Union.

**Lewin:** You are right, but decentralizing is not the correct word because a country like the USSR could not really be decentralized without coming apart. After all there cannot be a structure as large as the USSR was without a strong central government. One must distinguish between effective central government and over-centralization. The problem was to shift away from Soviet over-centralization. Over-centralization was a key both to Soviet achievement and to the death of the USSR. The overwhelming concentration of power in Moscow—the monopoly of the economy, politics, culture, and so on—was the illness. Simply weakening the central government could not have worked; it was necessary to find a different form of central government. The system was so over-centralized that the country was depoliticized. Just consider the Communist party: its rank and file had no political rights. So there was no basis for real political support. The economy was run by a widespread, hierarchical bureaucracy. The result was an economy without economics. It was an economy with no sense of cost. Its logic was that of the bureaucracy and its interests, and not that of an economy that has to produce for consumers. As to culture—they destroyed it along with their own socialist *Weltanschauung* and, for that matter, all social science. Consequently, over-centralization, which was supposed to secure efficient control, became the source of loss of control—over the economy, over culture, over the popular mind, over politics. So what was needed was not decentralization but a different sort of central government, one which was coherent but which sought to develop what was missing—a system of local autonomy. This was not done, and the system stopped running. It stopped producing goods, it stopped producing values. It had no internal mechanism for change and reform as problems accumulated. So the task was to reform the central government. What happened under Gorbachev? The central government was not decentralized, it collapsed. The moment the center went, fragmentation ensued and people latched on to what they could. It was not decentralization but the death of the system. The sources of Gorbachev's power were also the sources of the system's crisis. This is the key to understanding what happened to him as well.

**Cohen:** How feasible is the new commonwealth? What might enable its success or usher along its disintegration?

**Lewin:** It cannot disintegrate more than it has. What becomes evident, however, is that once armed force is no longer used by Moscow and once Moscow has accepted the principle of the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

independence of the other republics, then most of the republics are ready to come back and talk. The idea that the Soviet Union is buried is an overstatement. What died, at least for the time being, was the Russian empire, which was born of czarism and strengthened under communist rule. But you must keep in mind that throughout Russian and Soviet history, widespread reciprocal interests were created among these lands. Once coercion by Moscow is gone and sovereignty respected, all these freshly minted states and leaders will see that to solve their problems, they need each other. Opposition among Georgian intellectuals to [Georgian ex-president] Zviad Gamsakhurdia was due not only to his authoritarian ways but because he didn't want to work with Russia. That wasn't reported much.

In short, what I anticipate is some new type of union. It will take some time, and will not be on the past imperial basis. Of course, one cannot anticipate what will happen twenty years from now when Russia has new muscle. All the more important to establish new patterns now. But this region is intellectually, politically, economically interconnected, and its potential is enormous. Anyone with a brain can see the possibilities for growth and that left to themselves many of the small republics are doomed. Of course, the pressure of nationalist feeling must be eased—yes, they all want an army, a flag, all this nonsense for which people kill each other; but, at the same time, they are talking. Yeltsin outmaneuvered Gorbachev, in part, because he saw that the Ukraine had to be approached first. A new union must be shaped differently because there was and is absolutely no need for the old super-Moscow system. Unless stagnation perseveres, I think we'll see a rebirth of interest in union, perhaps parallel to the European Community in some way.

**Cohen:** But if the economic crisis expands dramatically, an aggressive Russian nationalism might become politically useful in a nefarious way.

**Lewin:** It is not impossible. But if cooperation brings general improvement, then the interest in working together will be pronounced, perhaps even opening the road for them—together—to be an important power again. Nationalism will then be seen as counterproductive. It may become obvious that such Russian nationalism undermines real Russian interests and power. And keep in mind that in all the recent elections in Russia, none of the rabid nationalist groups did well. One should not exaggerate the "irrationality" of the Russians. All sorts of incredible potentials have been attributed to them, but these things haven't happened. We were promised pogroms, and they did not happen. Look, when I was there, I saw fascists, real fascists, singing Nazi songs in Moscow—black leather, black boots, drunk, pushing people around. They exist, but the question is how many? We don't know the political complexion of the country because the population itself doesn't yet know where it stands. Also, the situation is quite fluid. Today some people define themselves as nationalist, and then tomorrow may be socialist. The left is in a process of reconstruction, too—it barely exists today. There are various groups emerging out of the former Communist party, some of them reactionary, some very modern and trying to meet halfway with other independent groups. But everything is in flux. There are about a hundred political formations of varying hues throughout Russia at this moment. Some form of a left must emerge.

**Cohen:** What type of left? It could be a social-democratic left or it could be a neo-Stalinist left.

**Lewin:** It's a very important point. But totalitarian potential exists in different forms. You could have a Brazilian-style dictatorship. You wouldn't call it Stalinist. So what? I don't accept the notion that Stalinism is a phenomenon of the left. In my view Stalinism is a right-wing phenomenon. In any event, it's too early to say what the general political configuration will be. What is evident is that political pluralism is on the agenda, that Russia has left one bank of the river and is moving toward another. The one point on which I would insist, however, is that there will be some sort of a union.

**Cohen:** In short, you think that economic interests will ultimately domesticate nationalism?

**Lewin:** Yes, but there is more at play than



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economic interest. There are specific cultural and political factors binding these nationalities. They have nowhere else to turn. It is here that they have a role to play. This area is the natural arena for their future even more than it has been for their past.

**Cohen:** It seems that in the aftermath of the Soviet Union's long and unsuccessful experience with a command economy Yeltsin wants to command capitalism through shock therapy. If we look at shock therapy in Czechoslovakia and Poland, we see a dramatic rise in unemployment, inflation, and a drop in industrial output. What is your judgment of these economic plans? What is a workable alternative?

**Lewin:** There has been a flood of what I call simpleminded programs—"privatization," "shock therapy," and so on. Frenzied propaganda has promoted them from both inside and outside the country. They are ideological products on one hand, and knee-jerk responses on the other: "Since the previous system was bad, we must now do the opposite." "Everything was public, now it should be all private." It is extremely primitive thinking and displays little understanding of how capitalism itself functions. The Western economies took centuries to develop and they changed greatly, especially in the last century. Many "shock therapists" have a conception of capitalism that might have corresponded to the mid-nineteenth century, but it certainly doesn't fit today. Western economies are multisectoral. Characteristic of contemporary market economies is a powerful presence of nonmarket elements. The Western political and economic systems could not survive otherwise. There are public organizations, consumer groups, the public sector, unions, and so on. Indeed there are the big corporations, which are hardly "private" in the nineteenth-century sense. And can you privatize "science"? The public sector is powerful and efficient in all European countries and in Japan. To dismantle it entirely, to let it decay, and to leave the government in Moscow without any levers was dangerous, and this was almost the case. A multisector economy needs to be fashioned in which there will be coexistence of and contributions by private, cooperative, public, and state forms. A unilateral approach—unilateral privatization, for example—will lead to pillage and massive social dislocation and suffering. Yes, private sectors must emerge, but some key sectors must remain, at least temporarily, under state supervision. But the modus operandi of the role of the state must be changed so that everything doesn't depend on bureaucratic plans and orders but rather on the market. Something like during NEP [New Economic Policy] when state enterprises were told: "Go to the market." The tragedy of Gorbachev is that he launched change, opened up the vents, even the gates, and realized too late that the forces he commanded, which gave him the power to pursue his reform efforts, were doomed. His glacier was melting away under him. The decline was well underway in the Brezhnev era, but when Gorbachev took over he didn't grasp how profound the state crisis was. The moment he opened up the floodgates with glasnost, he discovered that the over-centralized party/state system embedded in Moscow—the system that gave him his power—was in fact the problem. So when he told the party that change was imperative, that pluralism was necessary, that the command economy was not working, he met a stone wall. So the task now is not just creating markets or privatizing but fashioning adequate and functional political and economic structures. It isn't clear that Yeltsin has found the necessary remedies. He lacks efficient governmental levers. When I was in Moscow back in 1989 I found many officials despairing because the state simply wasn't functioning. A combined package aiming at strengthening the state and economic reform is needed. You cannot reorganize agriculture or institute local reforms without strong local governments. Nor can you promote economic reforms without a viable center. The emergence of the new sovereign states recently is important to alleviate this situation.

The task is to think globally. If the Kremlin doesn't and continues on its current track, it will get a Brazil. Or it will have a strong downtown area encircled by a Calcutta of impoverished people. In Poland the stores are full and the country is poorer than ever. You



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

can't simply have price reform, you must see the complexity of the task and handle it from A to Z simultaneously. You can't just go for A alone. To transform the Russian economy, you must understand what an economy is. Within the intelligentsia, especially in Moscow among ex-party members, one is confronted by clichés, by people who have read one book on the West and think they understand it and "markets," a word they repeat by rote almost as much as "privatize." In recent years, these same people used glasnost to denounce Stalinism repeatedly and vociferously. Well, that's fine and has an important cathartic effect. However, it was also an alibi for former party members and allowed them to concentrate on the easy thing—denouncing Stalinism, something terrible. It is easy to denounce Stalin, but the difficult thing is to formulate new programs. Instead, many intellectuals shifted their denunciation from Stalin to Gorbachev. They pounded on him and his government in the name of radicalism. This was politically sterile, a form of McCarthyism. That indicates a serious question about their political acumen.

**Cohen:** If a newly emerged Russian Social Democratic party asked you what should be done, what would you tell them?

**Lewin:** The first thing is to understand what a modern economy is, that it is composed of private sectors, of corporate sectors, of nationalized sectors, of cooperative sectors. They must recognize that both market and nonmarket elements must come into play, and must be developed almost simultaneously. Sectors that don't exist should be created. But don't destroy everything; instead change the modus operandi—create a new one. Foreign capital investment may be needed, but don't sell off the entire country. How a new system is fashioned depends on the purview of the political force overseeing it and how much weight is given to social as opposed to private concerns in making political and economic determinations. By themselves the price increases are idiotic for the simple reason that there is no rise in production. But what is crucial is that a social democratic government create a belief in the population that reform will lead to a just society. Then the pain that must come with reform becomes easier. The current government gives no sense of where it is going. A social democratic or socialist government would also have to make painful decisions, but in addition to adopting measures to handle unemployment and relief for the poor, it would fashion a *Weltanschauung*. It would foster values in order to see people through the difficulties and to encourage them, especially the youth, to become engaged with the economy, science, and, in particular, to attract them to politics. Only an ideological self-image, a sense of going somewhere, can do this. Furthermore, you must let people participate and understand what is happening, especially during a period of transition in which the country must unavoidably pay for the past. So, in my view, a social democratic or socialist party, in addition to firm convictions and programs, would have to be frank and open in expressing its ideas. Ideas are crucial and cannot be simply manufactured. I certainly wouldn't rush to the Hoover Institute specialists, who, after all, haven't given much good advice to the United States. I would tell social democrats that they must both fashion an effective central state and quickly strengthen local governments, giving them strong, autonomous powers. Revive local Soviets. It's the only way reform can succeed. The economy was declining for a long time, but what was missing, most important of all, was a combination of the political will to reform with corresponding, effective political structures. And national and local leadership is critical—there is a dearth of both today. A social democratic government would not allow the rightists and nationalists to present themselves as the sole repository of the national interest, least of all at a time when Russian weakness and dependence encourages xenophobia. A healthy patriotism led by a democratic left is needed. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Mitchell Cohen**

# THEORIES OF STALINISM

## Revisiting a Historical Problem

*Let us drink to science—to the science we need, not to the science we don't need.*

—Joseph Stalin, 1938

Can we speak of a historical phenomenon called Stalinism? One is tempted to a brusque riposte: the answer is self-evident to millions of its victims. But this would avoid the issue raised by the question, which is whether the *Stalinshchina* (Epoch of Stalin) represented more than the culmination of something else—be it "Leninism," "totalitarianism," or, indeed, "Russia."

Few questions have agitated students of Soviet history more, undoubtedly because one cannot think about Stalinism without interpreting the Russian Revolution and, indeed, Russian history. For Aleksandr Solzhenitsyn it is a simple matter: there was an absolute historical break in 1917. Thereafter, his "nation, an organism," was infected; a viral—unRussian—logic unfolded with ironclad necessity. Stalin's reign was "a direct continuation of the Lenin era." No wonder his ire was roused by contemporary scholars like Robert C. Tucker, for whom the *Vozhd* (the Leader) was a "national Bolshevik" reinvention of Ivan the Terrible and Peter the Great, or Moshe Lewin, who insists on complexity, not inevitability, in Stalinism's trajectory.

Now that the Soviet system has collapsed, some six-and-a-half decades after the ascent of the tyrant with "cockroach whiskers," as Mandelstam described him in a verse that probably cost the poet his life, discussion of Stalinism can proceed minus cold war intrusions. An appropriate way to begin is by reconsidering some of its major interpretations.[1]

### Critiques from the Left

It is often forgotten that the initial attempts at systematic criticism of Stalinism came largely from the left. Two broad trends, anti-Leninist (mostly social democratic) and Trotskyist, can be distinguished, although neither was monolithic and both had commonalities as well as differences. Both discerned Stalinism's origins in social conditions, in Russian "backwardness." For social democrats, these conditions argued against the Bolshevik experiment in the first place.

As early as 1885 G.V. Plekhanov, the "father of Russian Marxism," admonished that the implementation of socialist goals in the absence of their socioeconomic preconditions would produce "a political abortion after the manner of the ancient Chinese or Persian empires—a renewal of czarist despotism on a communist basis." In January 1918, when the Bolsheviks proposed to the Trade Union Congress that union autonomy was superfluous now that the state was "proletarian," Lenin's old socialist foe, the Menshevik leader Julius Martov, insisted that there were four requirements for socialism: (a) A large proletariat that could envision no future save socialism; (b) the proletariat had to possess administrative aptitude; (c) the peasants and small producers—Russia's nonproletarian majority—had to be persuaded that socialism represented their best alternative; and (d) the country required a heavy industrial base in major metropolises.

Yet in Russia, the proletariat was small and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

much of it was barely a step from rural life. It possessed little managerial competence, and the white-collar strata with administrative skills were hostile to socialization, as were the peasants and small producers. As for the urban, industrial base, that was absent. In short, there was no possibility of generalizing proletarian interests to society at large. Consequently, Martov concluded, workers needed autonomous unions to protect their interests, whatever the party in power.[2] Of course there was another implication: a "proletarian state" was certain to founder in Russian conditions.

Martov eventually fled Russia, his party splintered and banned, his hope that the revolution might be "corrected" shattered. "I think that fifteen years of a regime like this is enough to make people grow hair and begin barking," wrote this Marxist in a letter in June 1920, shortly before his exodus. "It may be necessary to grow hair earlier, though, for the lack of cloth." He died in 1923 and thus didn't witness the rise of Stalinism and the first *Piatiletka* (Five Year Plan). The Mensheviks who did were divided over them. One group, around Fyodor Dan, tended to see the USSR as state capitalist. Impressed by its industrial development, these exiles hoped that socioeconomic progress would eventually subvert the dictatorial superstructure. Other Mensheviks decried such thinking as a dangerous accommodation to repugnant politics in the name of economic advance. They insisted on the primacy of democracy.

By the 1930s, the Mensheviks were speaking of "totalitarianism" and comparing Berlin and Moscow, although not assimilating the two regimes to one another. While fascism was deemed a buttress to capitalism, some, like Dan, adjudged at least a partial proletarian rationale to Kremlin policies. In the context of these debates the Austro-German social democratic theorist Rudolf Hilferding published a landmark socialist analysis of Stalinism in 1940 in a Menshevik periodical.[3] "State Capitalism or Totalitarian State Economy" was prompted by an article by R. L. Worrall, a British socialist who contended that the USSR was "state capitalist." Hilferding countered that a state-owned economy that governed production according to a plan and determined wages, prices, profits, and distribution exclusive of a market could not be called "capitalist," state or otherwise. Worrall argued that the bureaucracy, however different, functioned like a bourgeoisie since it engaged in accumulation. Hilferding pointed out that accumulation was a fact of all economic systems, and he contended that the bureaucracy was an instrument, receiving orders ultimately from Stalin, who "carried on with the job" begun by Lenin and Trotsky. It was the Leninist party that created "the first totalitarian state," now reaching its pinnacle in Stalin's "unlimited personal dictatorship." Both the German and Soviet economies were subjected entirely to state purposes, depriving economics of its own laws and autonomy. Despite differing lineages, these regimes were "drawing close to each other."

In contrast to orthodox Marxism, for which the state is a means of class rule, Hilferding determined that the totalitarian state lived "by the economy, but not for the economy or even for the class ruling the economy." Only sectarians, wed to eternal bifurcation between capitalism and socialism, could fail to grasp that something new had emerged, neither socialist nor state capitalist. Socialism, he insisted, was inseparable from democracy; it aimed to free the economy "from the rule of one class" by "vesting" it in "a society which is democratically self-governed." Socialism's protagonists never imagined dictatorship as the political form of a "managed economy." But history, Hilferding concluded, demonstrated that the administration of things too easily became the administration of people.

Bolshevism's affliction was, for most social democrats, congenital; Stalinism may not have been its necessary consequence, but it wasn't an accidental by-product. In contrast, Stalinism, for Trotsky, was the "syphilis" of the workers' movement; an injection of Bolshevik penicillin was required to return the USSR to health. Long before 1917, he argued that revolutionary potential issued from backwardness; but backwardness became, a decade after October, central to explaining Stalinism's betrayal of the revolution. His critique of Soviet bureaucracy began in the early 1920s,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

attaining penultimate formulation in *The Revolution Betrayed* (1936), a relentless vivisection of Stalin's lies. Not only did Trotsky brand Stalinism "totalitarian," but he maintained that despite "a deep difference in social foundations," there was "a deadly symmetry" between it and fascism. According to Dmitri Volkogonov's *Stalin: Triumph and Tragedy*—the first biography based on access to Kremlin archives due to *glasnost*—Stalin read Trotsky's book "in a single night, seething with bile."

All revolutions, Trotsky argued, engender reactions. What bourgeois revolutions did in the West, he went on, the dictatorship of the proletariat had to achieve in Russia, where the bourgeoisie had been too weak to bring the country "out of barbarism." Success had depended ultimately on assistance from proletarian revolutions in the advanced West. Their failure left an isolated Soviet Union susceptible to the slogan of "socialism in one country," an impossible idea. In these circumstances the bureaucracy grew "as the bourgeois organ of a workers' state," born of "the poverty of society in the objects of consumption."

Here Trotsky drew on the ideas of his friend (and future victim of Stalin) Christian Rakovsky. In a 1928 discussion of "The 'Professional Dangers' of Power," this Bulgarian-born revolutionary traced the problem of bureaucracy to the "inherent difficulties" of a new ruling class in power. Whereas revolutionary struggle molded proletarian cohesion, victory makes part of the class the "agent" of power. "Functional" devolves into "social" differentiation as communist bureaucrats obtain better living standards than workers.

A privileged stratum materializes, specified Trotsky, where true equality is impossible, "where sharp antagonisms require to be 'softened,' 'adjusted,' 'regulated.'" Citing Lenin's *State and Revolution,* he maintained that the proletarian state was to have been strong but without "mandarins"; it was to have broken irrevocably with previous forms of the "state," whose task was to subject the majority to a ruling class. By socializing production and eliminating classes, the proletarian state sought its own dissolution; in a classless society politics would be functionless.

But it was self-evident, continued Trotsky, that the Soviet state was not withering; it was growing "into a hitherto unheard of apparatus of compulsion." Its character was "dual" and contradictory: production was socialized, but distribution sustained the advantages of the working classes' "plenipotentiaries." The original, innovative revolutionary leaders were displaced by people "of the second line, in league with the former enemies of the revolution." The vanguard party, which was to be overseer and refractor of the bureaucracy, was "devoured" by the administrative apparatus. This, then, was the Soviet "Thermidor." The problem was not a "mediocrity" named Stalin, for he was but the gray face and steel hand of a conservative social force that had triumphed over the revolutionary, though now exhausted, masses. When Trotsky had urged the revolution forward, he reports, the bureaucrats retorted with a "gospel of repose" that appealed to weary workers and peasants: "Enough of shake-ups! We have earned the right to rest. We will build socialist society at home."

The result was a government that occupied "in relation to the whole economic system the position which a capitalist occupies in relation to a single enterprise. . . ." Yet because property was socialized, this remained a proletarian state, albeit "degenerated." But never before had a bureaucracy obtained "such a degree of independence from the dominating class. . . ." Insisting on Marxist orthodoxy, Trotsky recoiled from calling the bureaucracy a "class." It was a "caste" or "stratum" that had risen above the workers, governing a "transitional" regime yet building the industrial foundations required for socialism. Needed: a "supplementary" political—though not an economic—revolution.

Trotsky threw into sharp relief the problem of bureaucratic power. Yet, he foundered on this insistence that the proletariat was the dominant class in a situation where it was economically and politically subjugated. He also could not explain how the first *Piatiletka,* a vast, tumultuous upheaval affecting every aspect of the country, was carried forth by the conservative votary of a "gospel of repose."



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Trotsky sometimes conflated an ideal-type of bureaucracy with a messier reality. Similarly, whereas Martov insisted that the Russian proletariat did not approximate Marx's formulations, Trotsky often spoke as if, in 1917, it were fully formed and had overthrown "capitalism"—though Russia was hardly a capitalist society. He and Rakovsky spoke as if differentiation and fluidity within the proletariat were largely postrevolutionary phenomena. At other times, however, he described the proletariat as barely emerged "from destitution and darkness," with "no tradition of dominion or command." But if the latter were the case—and if the proletariat was but a small part of the population—was not October the original error, as Martov held? How could this "proletariat" exercise class rule? Only by identifying it with the party.

In the four years between *The Revolution Betrayed* and his murder, Trotsky moved sometimes toward and sometimes away from allowing that an altogether new formation had arisen in the USSR. In fact, Rakovsky had asserted that "The bureaucracy of the soviets and of the party constitutes a new order. We are not concerned with isolated cases . . . but rather [with] a new social category. . . ." The claim that a "new class" ruled communist societies was popularized in the 1950s by Milovan Djilas, but it had already been developed in Trotskyist and ex-Trotskyist circles on the eve of World War II. Max Shachtman's definition of Soviet relations of production as "bureaucratic collectivist" aimed to explain Stalinism and salvage Lenin's legacy by means of Marxist concepts.[4] In usurping and monopolizing political, social, and economic power, and seeking reproduction of the system as a whole, the bureaucracy attained "self-realization . . . as a class."

The Stalinists may have retained the property forms (nationalized property) established by Bolshevism, but they had created "new property relations." The outcome was "a new reactionary hitherto unprecedented state with a new ruling class" and relations of production that were "bureaucratic collectivist," not those of a degenerated workers' state or "state capitalism." Revolution against the Stalinist counter-revolution would have to be social, not just political as Trotsky proposed.

In the analyses of Isaac Deutscher and Otto Bauer, the former a product of the Trotskyist camp and the latter an Austrian social democrat, there emerged parallel instrumentalist-developmental conceptions of Stalinism. Deutscher's 1949 biography of Stalin upheld that

> [i]n spite of its "blood and dirt," the English industrial revolution . . . marked a tremendous progress in the history of mankind. It opened a new and not unhopeful epoch of civilization. Stalin's industrial revolution can claim the same merit. It is argued . . . that it has perpetuated cruelties excusable in earlier centuries but unforgivable in this. This is a valid argument, but only within limits. Russia had been belated in her historical development. In England, serfdom disappeared by the end of the fourteenth century. Stalin's parents were still serfs. By the standards of British history, the fourteenth and twentieth centuries have, in a sense, met in contemporary Russia. They have met in Stalin.

Stalinism was Russia's unfortunate but necessary road to an advanced economy. Yes, both Hitler and Stalin "built up the machine of the totalitarian state," but there was no area in which Hitler, in contrast to Stalin, "made the German nation advance beyond the point it had reached before it took power." Deutscher conceives Stalin as Hegel did Bonaparte—the instrument of history's cunning, conveyer of objective progress whatever the subjective motivations, however many the corpses. And Deutscher was persuaded that History would undo Stalinist terror, once its developmental rationale was accomplished.

Bauer reached a similar conclusion some time earlier. Initially he identified with Martov, lambasting Bolsheviks for believing in "the supreme power of the machine gun" and the pursuit of socialist goals where their preconditions were absent. Yet he hoped that social democrats and Bolsheviks might one day be reconciled. Therefore, he opposed social democrats (such as Kautsky) who espoused an anti-Bolshevik uprising. Although he came to argue that Russian conditions had transformed the dictatorship of the proletariat into that of a privileged bureaucratic stratum trying to carry out a social revolution, Bauer was induced to



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tolerance of Stalinist terror by the economic success of the first *Piatiletka*. It was a terrible but necessary aspect of establishing the industrial preconditions for socialism. Yet he, like Deutscher, expected that rationalization of the economic base would compel rationalization of the superstructure, that is, democratization. In 1936, two years before his death, he suggested, however, that though democratization alone could salvage socialism, industrialization might engender "some kind of technocracy." Neither Deutscher or Bauer imagined that the economic and political structures would collapse entirely.

## Questions of Political Culture

The strength of left-wing analyses of Stalinism lay in highlighting socioeconomic forces at work. Russian political culture was rarely addressed directly; the left was biased against explanation through national categories. Trotsky, for example, elucidated the bureaucratic nature of the Stalinist social structure with brilliance, but did not make of it a specifically Russian issue. Indeed, he often spoke in the 1920s as if old Russia had been entirely vanquished: "October . . . gave to everything its own meaning and its own value. The past receded at once, faded and dropped." In the same book, *Literature and Revolution,* he wrote, "Essentially, the Revolution means the people's final break with the Asiatic, with the Seventeenth century, with Holy Russia, with ikons and with roaches. It . . . means a communion of the entire people with civilization."

In contrast, Nicolas Berdyaev, a Russian emigré philosopher who passed through Marxist, Kantian, Nietzschian, and religious phases, emphasized, albeit in somewhat mystified form, the Russianness of what unfolded after 1917 in his *The Origins of Russian Communism*. Writing in the same year that Trotsky composed *The Revolution Betrayed,* Berdyaev was concerned not with the discontinuities between Marx or Lenin and Stalin but with the continuities between Russian history writ large and the events of his day. He proposed that Bolshevism synthesized Marx and Ivan the Terrible "with the worst coming from Ivan and not from Marx."

For Berdyaev, Russian communism was incomprehensible apart from the pervasive historical impact of religion on the Russians. This people long possessed a "religious conception of the czar's authority," and a deep belief that land belonged to God. They had no notions of property akin to those in the West. Importantly, Russian religious energy was capable of "switching over and directing itself to purposes which are not merely religious, for example, to social objects." The "spirit" of the Russians "could very readily pass from one integrated faith to another. . . ."

His account also drew on the ideas of historians like Paul Miliukov (a leader of the Kadets in 1917) and V.O. Kliuchevsky, for whom Russian history was an extended struggle between centralizing (that is, statist) and anarchistic tendencies. Such notions informed the *Smena vekh* (Change of Landmarks) exile circle in the early 1920s; for them, the New Economic Policy (NEP) represented a return from orthodox communism to Russian historical development, a form of "national Bolshevism," as the group's central figure, Nikolai Ustryalov, put it. Indeed, he wondered aloud if, when the Winter Palace was seized, the red flag had "taken over the palace or vice versa." Remarkably, Lenin took this seriously. Such candid enemies, he told the eleventh party congress in 1922, "are useful. We must say frankly that things Ustryalov speaks about are possible. History knows all sorts of metamorphoses."

These themes are drawn upon extensively by Robert C. Tucker in *Stalin in Power: The Revolution from Above, 1928–1941* (1990). In this work of luminous historical intelligence, the second volume of a projected trilogy, the author argues that Stalinism signified a "second revolution," to be sharply differentiated from 1917. He cites the *Short Course,* the party history published in 1938 under Stalin's tutelage, proclaiming that 1928–33 was a revolution "from above" in which the kulaks were undone as capitalists were by October. Indeed, the first *Piatiletka*'s combination of ruthless industrialization and the brutal collectivization of agriculture yielded a regime commanding the economy and, not incidentally, a *Vozhd* commanding the state. The "revolution from above," contends Tucker,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

was "a reversion" to an earlier "developmental mode" of Russian state-building.[5]

Stalinism must, therefore, be conceived within the structures of Russian history, not as their negation (as Solzhenitsyn would have it). Tucker translates problems of the Russian "spirit" into the more earthly category of political culture. Czarist political culture was, he argues, imbued with an "image of dual Russia," an opposition of the state as an autocratic, "totalitarianizing" and alien superstructure to a passive society. As Muscovy consolidated in the fifteenth to seventeenth centuries, all classes were "bound" to state service. Ivan the Terrible, in a sixteenth-century anticipation of Stalin's assault on the Old Bolsheviks, unleashed terror against the aristocracy, all the while proclaiming himself defender of the lower classes—who were pressed into serfdom in the next century. During Peter the Great's purge-filled reign, pursuit of Western know-how by the state amplified its alienation from the populace. Following the death of Nicholas I in 1855, Russia first experienced a "thaw"—a series of reforms, most important the abolition of serfdom in 1861. The country began to "unbind."

Late nineteenth-century populists then reinvented duality as a war between "official Russia" and an idealized, revolutionary, peasant Russia. When this "Popular Russia" proved unresponsive to their agitations, some populists turned to Marxism. But Marx posed a dilemma, for his socialism presupposed the social, economic, and technological achievements of capitalism. Plekhanov concluded that there was no way for his country but capitalist development. Yet other radicals reeled before the "objective" prospect of capitalist oppression. Some populists had long thought it better to bypass capitalism, to pursue a specifically Russian path to socialism, based on indigenous institutions like the *obshchina,* the traditional rural commune. Tucker's Lenin "married the old image of two warring Russias with Marxism"; his dictatorship of the proletariat was Popular Russia in power. February 1917 culminated Russia's "unbinding," but October was a reversion to state assertion. This was interrupted, in turn, by NEP.

The place of NEP is crucial to both the Princeton School—Tucker and Stephen F. Cohen, Bukharin's biographer—and Moshe Lewin, who chastise historians who fail to differentiate among Lenins: there was Lenin the party theoretician of *What is to be Done?*; Lenin the utopian of *State and Revolution*; and the chastened Lenin who feared Stalin and bureaucratization and came to see NEP, originally a tactical retreat, as a long-term endeavor. In this view of Lenin, Tucker, Cohen, and Lewin parallel that of Roy Medvedev's *Let History Judge,* the first major study of Stalinism to come from the USSR, which underscored the discontinuity between Lenin, especially the later Lenin, and Stalinism.

By 1923 Lenin concluded that a "cultural revolution" was required, especially in the countryside, if the vast peasant majority was to be prepared for a new society; the latter, he speculated, should rest on agrarian cooperatives. This cultural revolution was seen not as a radical assertion of proletarian culture, much less an anticipation of Maoist frenzy, but as an evolutionary, educational enterprise. Such were the assumptions of Bukharin's NEP-based strategy for socialist transformation at a "snail's pace"—not forced collectivization of the peasantry.

Because this program was an objective possibility for Soviet historical development, Stephen F. Cohen argues that determining Stalinism to be the "inevitable" consequence of Lenin is teleological reductionism. Such thinking was evident among post–World War II theorists of Soviet totalitarianism like Harvard's Merle Fainsod, regarded by many as the father of American Soviet studies. For him Stalinism was Marxist-Leninist "totalitarianism full-blown," issued "out of the totalitarian embryo."

In contrast, Tucker finds in Stalinism the "dynamic resurgence" of the state against society, a rebinding through revolution from above. The "resurgences" are many: revolution from above has a long czarist lineage; authoritarian bureaucratism and terrorism are deeply rooted in Russian political culture; the world mission of the Third International echoed Orthodox Christian messianism, which saw



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Moscow as the Third Rome; and Russian peasants perceived Stalin's collectivization less as the onslaught of "totalitarianism" than as a return to the ancien régime. Tucker details how close the structure of the *kolkhoz* system was to that of serfdom—so close that peasants used "V.K.P." (*Vsesoiuznaia Kommunisticheskaia Partiia,* All Union Communist party) to mean *Vtoroe Krepostnoe pravo*—the "Second Serfdom."

But Stalin's preoccupation, according to Tucker, was not just power or ideology, it was psychological—a self-image as the second Lenin accomplishing the Second Revolution. His "hero-identification" with the Russian Lenin allowed Stalin, a Georgian, to become a Russian nationalist (despite Lenin's internationalism). Thus Stalin was "a Bolshevik of the radical right who blended his version of Leninist revolutionism with Great Russian nationalism." Stalinism—not NEP as Ustryalov suggested—was "Russian national Bolshevism." It synthesized a "Russian national ethos, the emulation of the extremist element in Leninism and the personality of Stalin." One might add: had orthodox Marxists not been narrow-minded in their understanding of nationalism, they might have recognized that since, in the Bolshevik version, the dictatorship of the proletariat was to accomplish what capitalism did in the West, and since nationalism arose in the West with the bourgeoisie, Russia's development made it ripe for nationalism synthesized with Bolshevism.

Where Tucker perceives reversion to patterns of the fifteenth to eighteenth centuries, Harvard's Richard Pipes sees continuity between the late nineteenth-century and the post-1917 regime. Unfortunately, Pipes laces—and mars—his formidable erudition with neoconservative crankiness. His notion of continuity rests uneasily with his caricature of intellectuals as the pestilence of Russian—indeed, of all—modernity. In *The Russian Revolution* (1990), he determines that the *démarche* to 1917 began in 1899 when student strikes, born of nonpolitical events, were hijacked by radicals for their own ends, showing "to what extent the Revolution was the result not of insufferable conditions but of irreconcilable attitudes." Yet in *Russia Under the Old Regime* (1974), he didn't discern the origins of "twentieth century totalitarianism in Western ideas" but in Russian institutional life, most important in the absence, between the fourteenth and eighteenth centuries, of private property. The "patrimonial" Muscovite regime fused "sovereignty and ownership, the monarch viewing himself and being viewed by his subjects as both ruler of the realm and its proprietor." Petrine Westernizing partly disrupted patrimonialism, especially by introducing notions of private property. By the twentieth century only political patrimonialism remained intact, and government repression of terrorism in the 1870s and 1880s created the basis for "a bureaucratic-police regime with totalitarian overtones." The Bolsheviks then fashioned its "mirror image." The apparatus was "perfected until under Stalin's dictatorship it attained a level of wanton destructiveness never before experienced in human history."

Russia's misfortune was to be saddled with the incompetent Nicholas II at a time of change, when the power-craving intelligentsia—the New Class of Pipes's Russia—asserted itself: "Nothing . . . inexorably pushed the country toward revolution, except the presence of an unusually large and fanatical body of professional revolutionaries." Yes, the peasant had grievances, but, accustomed to patrimonialism, he never thought to articulate them politically. Not recognition of oppression but stoicism of the oppressed seems to be Pipes's ideal. In *The Russian Revolution* we learn from him that "those who experienced and survived the Revolution would never see the return of normalcy. The Revolution was only the beginning of their sorrows." One need be no Leninist to wonder what constituted pre-sorrow normalcy. World war? Blistering rural poverty? The Mendel Beilis trial? 1905? The repression of the 1880s that Pipes himself describes? Serfdom, perhaps? And how does post-normal sorrow suit Pipes's concept of continuity? This is all lost in the neoconservative undertow.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

### Cold Warriors and "Totalitarianism"

"Totalitarianism" was the master concept of Western studies of the USSR in the post-World War II era. Yet it was, as we have seen, initially deployed for opprobrious comparison with Germany by leftwing anti-Stalinists to deny Stalin the socialist mantle. The Kremlin's overlord declined the appellation "Stalinist," preferring to render himself a humble servant of Marx and Lenin. Ironically, cold warriors, who suspected every communist utterance, eagerly concurred with Stalin's self-portrait.

The ideal-type of totalitarianism and Soviet reality were frequently conflated by cold warriors, as was the will to total domination with its actualization. This often came of a simplistic conceptual opposition of "individualism" to "collectivism"; the latter habitually collapsed into totalitarianism. One sees this in J.L. Talmon's distinction, in *The Origins of Totalitarian Democracy,* between "liberal" and "totalitarian" democracy and in Hayek's reduction, in *The Road to Serfdom,* of Nazism to collectivism, collectivism to socialism, Stalinism to socialism and—presto!—Nazism and Stalinism both to leftwing phenomena. "Totalitarianism" enabled diverse ideological blurrings of Marx, Lenin, and Stalin by academics like Fainsod, Adam Ulam, Carl J. Friedrich, Zbigniew Brzezinski, and Leonard Schapiro, among others. Robert Conquest, in *Harvest of Sorrow,* his study of the "terror-famine" pursuant to Stalin's brutal collectivization and anti-Ukrainian policies, writes, "The main lesson seems to be that the communist ideology provided the motivation for an unprecedented massacre of men, women and children."

On the other hand, Hannah Arendt's *The Origins of Totalitarianism* (1951) both distinguished Leninism from Stalinism and presented the dynamic, ideological, and terrorist qualities of the totalitarian police-state as something original in the history of oppression. Her account, however, makes Stalinism an exemplar of a broader modern phenomenon—totalitarianism—without adequately specifying its Russian setting. Yet the more Stalinism is seen from the perspective of Russian history, the more problematic her analysis becomes. If one thinks of Stalinism, as does Tucker, in light of the binding and unbinding of an active state and passive society in Russia since the fifteenth century, it is difficult to sustain Arendt's celebrated claim that totalitarianism's novelty lay in creating a mass society, the better to assert control from the top down for ideological purposes. Indeed, Stalin did not atomize the countryside in order to control it, he collectivized it along lines deeply rooted in Russian historical practices.

The concept of totalitarianism becomes misleading unless it is integrated into a broader explanatory framework, a complex historical whole. For all the parallels between fascism and Stalinism, the differences are no less important, and the differences are obscured when the two phenomena are simplistically compressed into a single mold. For one thing, the fact rather than the content of ideology waxes decisive. Berlin approximated Nazi ideology, which espoused authoritarianism, extreme nationalism, organic racial hierarchy, an all-powerful state, and the *Führerprinzip*. In contrast, Marxism envisioned a classless, humanist "association in which the free development of each is the condition for the free development of all" (*The Communist Manifesto*) and the "withering away" of the state. Save by conceptual alchemy, one cannot claim that such ideas were embodied in Stalinist practice, let alone find them symmetrical to Nazism.

One value of Robert Tucker's description of Stalinism as Russian national Bolshevism is that it allows nuanced comparison between the functions of Nazi and Stalinist ideologies within their historical-political settings. It then becomes evident that the extent to which Stalinism is comparable to fascism is the extent to which it departed from Marx and (only partly, in my view) from Lenin. None less than Benito Mussolini wondered aloud in 1938 if "Stalin could secretly have become a fascist." The socialist-turned-*Duce* was grateful to the *Vozhd* for "doing a notable service to fascism by mowing down in armfuls his enemies."

The gulf between the 1920s and the 1930s in the USSR was vast, as Alec Nove and other scholars have emphasized. For just one example, Lenin determined that no party member should earn more than the average skilled



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

worker. Not only did Stalin end this practice, but in 1931 he became the champion of wage differentials, deriding "petty bourgeois egalitarianism." During the *Stalinshchina,* privilege, hierarchy, discipline, and inequality became orders of the Soviet day. In Bolshevism there was an irreconcilable tension between Marxist egalitarianism and Lenin's hierarchical notion of the party. The dissolution of this tension, the subsuming of egalitarianism by hierarchy, was a key feature of the emergence of Stalinism. One can even see the change grammatically. Vera S. Dunham, in her study of Soviet popular literature, *In Stalin's Time,* speaks of "pronouns in transition." The October revolution asserted the "We." She quotes Mayakovsky: "Proletarian poets speak neither of 'I'/Nor of the individual." And Vladimir Kirillov: "We are the countless, awesome legions of Labor/ . . . Creative pangs seethe in our collective breast/ . . . We are our own Deity and Judge and Law." But odes in the Stalin era were to the Leader. " 'We' poetry had become 'He' poetry," she writes. "The collective was no longer its own Deity and Judge and Law. . . . If the collective still marched, it did so awkwardly, on its knees."

Yet Dunham's suggestive characterization needs amending. For Marx, the subject of revolution, the "we," was the proletariat, the universal class; for Lenin, it was the party. The transition from Lenin to Stalin is the transition from the party "we"—more accurately an "it" incarnating the "science of society"—to the "He" of Stalin. After the Great Purges, the party, the Leninist institution *par excellence,* functioned as a party only in name. While the state terror apparatus was, in the 1920s, deployed against foes—imagined or real—of the party and regime, a distinguishing feature of Stalinism was its use against the party, making of it the *Vozhd's* pliant tool. In 1934, the year of the "Congress of the Victors," the party still functioned, at least to some degree, as a party. At that congress a quarter of the delegates voted against Stalin's re-election to the Central Committee. Five years later, this was inconceivable. Khrushchev reported that some 70 percent of the Central Committee was incarcerated or executed in the 1930s. Between 1934 and Stalin's death in 1953, the party congress met just twice.

If the most important Leninist institution was rendered non-functional for most of the Stalin era—and if most of its elite was liquidated—one can hardly depict the transition from Leninism to Stalinism as a totalitarian fulfillment. Under Lenin, the USSR was a one-party state; under Stalin it was an unparty state, with (surviving) card holders functioning less as members of a political party than as clergy under an infallible pope.

Yet Stalinism did emerge out of Lenin's party. There were diverse Lenins, but none of them renounced or modified the concept of the vanguard party; it is that concept which gives Leninism its consistency. But what, within Leninism, mutated into Stalinism—undoing Leninism in turn? In what follows I suggest that we look not only to party organization (which was vital) but to what I'll call the positivist core in Leninism—the belief that the party embodied a science that was "objective" like natural science. This scientism helped facilitate, dialectically, as it were, the ideological passage to Stalinism in the context of Russian political culture, "backwardness," and industrialization.

As to party structure: the young Trotsky captured the problem when, criticizing Lenin in 1903, he uttered his celebrated (if nowadays belabored) warning: "The organization of the party will take the place of the party; the central committee will take the place of the organization; and finally the dictator will take the place of the central committee." Two decades later, Lenin and a Leninized Trotsky fretted that recalcitrant bureaucracy might undo their revolution.

One cannot disengage Lenin's notion of building a party from above from Stalin's later revolution from above. Shortly after the Bolshevik-Menshevik split Lenin denounced Martov's "idea of building the Party from the bottom upward" as "false 'democracy.' " "My idea, on the other hand," Lenin continued in *One Step Forward, Two Steps Back,* "was 'bureaucratic' in the sense that the Party was to be built from the top downward. . . ."



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Organization posed no intrinsic dangers for Lenin. This attitude also governs *State and Revolution,* in which the dictatorship of the proletariat is a centralized "organization of violence" which will transform bureaucrats into "foremen and accountants." Lenin thought that the more advanced, sophisticated and large-scale an economy became, the more elementary its administration and oversight. Precisely when the state's political power was to be supplemented with enormous economic power, he imagined that the state would become a "non-state"; previous state functions would "become so simplified" that they could "be reduced to such exceedingly simple operations of registration, filing and checking," and all positions stripped of privilege.

Indeed, Lenin perceived little danger in the complete rationalization of society. He approvingly cites a German social democrat lauding the efficient German post office as the economic paradigm of socialism. "The whole of society" under the dictatorship of the proletariat, commends Lenin, "will have become a single office and a single factory with equality of labor and pay." How this is to be administered in a "non-state" is, I must admit, as mysterious to me as envisioning the German post office as a model for a free society in Russia, a land with a long history of bureaucratic despotism.

Seen from another angle, the question might be posed: Lenin or Max Weber on bureaucracy? Weber, like Lenin, used the German civil service as a model for analysis. However, he contended that the consequence of economic development was increasing social and political complexity and increasingly differentiated administration. The tasks, role, and instrumental rationality of bureaucracy would beget an "iron cage." (That, plus a *Vozhd* and terror, seems to me an excellent metaphor for the *Stalinshchina.*) It will be objected that Lenin, following Marx, enumerated democratic features of the Paris Commune as those of the dictatorship of the proletariat—universal suffrage, stripping the police of "political attributes," paying everyone workers' wages, and so on. But in power, save for equalization of wages, the Bolsheviks did the opposite, notably disbanding the Constituent Assembly and using their own political police. Lenin insisted that his dictatorship of the proletariat was to be a higher democracy, dispatching the frauds of parliamentarism. Representative institutions were to be converted "from talking shops into 'working bodies.' " Yet the institutions that might have become democratic working bodies, the Soviets, were emasculated as soon as the Bolsheviks couldn't dominate them. Martov pointed out that the Bolsheviks repudiated "democratic parliamentarism," but once in power ceased repudiating "those instruments of state power to *which parliamentarism is a counterweight within bourgeois society:* bureaucracy, police, a permanent army. . . ." These suddenly became proletarian tools.

Another problem lay in Lenin's definition of the party as the embodiment of revolutionary consciousness, which he identified with "scientific" knowledge. "Those who are really convinced that they have made progress in science," he declared in *What is to be Done?*, denouncing Russian "Revisionists," "would not demand freedom for the new views to continue side by side with the old, but the substitution of the new views for the old." A decade and a half later, Lenin explained to his party's seventh congress (March 1918) that it ought to be renamed "Communist" because "Social Democratic" was "scientifically incorrect."

Lenin reified science. In so doing, he pursued an unfortunate thread within Marxism. Marx and Engels, to distinguish themselves from utopian socialism and German idealism, strongly affirmed their allegiance to the spirit of modern science. In the later Engels and in Kautsky, however, "science" became a positivist dogma rather than the critical tool it was for Marx. In fact, when Lenin argued for a party embodying the science of society in *What is to be Done?*, he cited the authority of Kautsky, then known as the "pope" of Marxism.

Leninism entwined the positivist thread in Marxism with Russian positivist motifs. For many nineteenth-century Russian intellectuals, the possibility of a science of society provided an alluring alternative to the superstitions and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

irrationalities of their own social system. They read Saint-Simon, Feuerbach, John Stuart Mill's study of Comte, and Henry T. Buckle, all at a time when natural science flowered and Darwinism spread in Russia. Scientific advance seemed linked to social improvement. As Saint-Simon suggested a council of specialists to displace the clergy and reorganize society, so Dmitri Pisarev, a central figure in Russian positivist currents, proposed that "thinking realists" guide social progress. Petr Tkachev, sometimes called the "first Bolshevik," held that "infallible ideology" was possible, but that the people could never attain scientific understanding. Needed: the dictatorship of a vanguard.[6]

Populists like Lavrov and Mikhailovsky countered with "subjective sociology"; there were, they contended, dimensions of human existence inexplicable by natural scientific models alone. Mikhailovsky, a critic of Comte and Social Darwinism, argued that social and individual progress were not necessarily concurrent and that universal schemes of obligatory stages of historical development were unsound. Russian Marxism was partly formulated in opposition to such assertions. Plekhanov believed "Marxism is Darwinism in its application to social science," and insisted on necessary historical stages. Lenin's Marxism, especially his concept of the party, melded a positivist notion of an objective science of society with the populist stress on subjectivity and will.

Nothing reveals the simplistic nature of Lenin's notion of science more than *Materialism and Empirio-criticism* (1908), in which he expounds that modern physics was "giving birth" to "the only true method and the only true philosophy of natural science"—dialectical materialism. In an obscure but revealing passage, he lauds Ernst Haeckel's *Die Welträtsel* (1899)—"The Riddle of the Universe"—as "a weapon in the class struggle." For Haeckel, a leading popularizer of Social Darwinism, the riddle was solved by natural science and the theory of evolution. Lenin exudes contempt for "professors of philosophy and theology" who derided this author; his wide sales revealed that the "*masses* of readers" had been "won over to his side." But, Lenin noted, there was a strange, indeed theological, twist in Haeckel. He claimed to have transcended the opposition between mind and matter and to have invented "his own religion"—an atheistic, Spinozistic one. This Lenin couldn't abide. His explanation: Haeckel is a "natural-scientific" materialist *malgré lui*. The intrusion of religious categories was despite the substance of Haeckel's science.

It is sometimes held that Lenin's reading of Hegel's *Logic* in the period from 1914 to 1916 transformed him into the dialectician of revolution in 1917; whereas he had, like most Marxists, held that bourgeois-democratic revolution was on underdeveloped Russia's agenda, now he knew it necessary to go much further. But I, for one, discern no change in his political behavior, let alone his use of the word "science," subsequent to his study of Hegel. Indeed, his "April Theses" of 1917, which announced that Russia was already passing from the bourgeois to the proletarian phase of revolution—perhaps the quickest bourgeois stage in history—are congruous with his 1894 critique of Petr Struve's "Legal Marxism," an early form of Russian revisionism, which proposed the importance of capitalist development. Lenin then dissociated Marxism from "Hegelianism, 'faith in the necessity of each country having to pass through the phase of capitalism,' and other nonsense."

Isaac Deutscher once described Lenin as a "critical thinker in the laboratory of thought." Deutscher failed to see the flaws in the scientific equipment, the uncritical translation of positivist natural science into a science of society, which in turn was fashioned into political weapons. Once a political party embodies "science," pluralism is inconceivable; it would be akin to accepting competition between a brain surgeon and a shaman. In Stalinism, as in positivism, brain surgeon and shaman merged. For all its insistence on science and repudiation of earlier belief systems, positivism had a perverse affinity to theology, and adopted many of its ways, sometimes in the intentional form of noble lies and sometimes as fully integrated dogma. Saint-Simon contended that although "the idea



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of God should not be used in the physical sciences," it could be used politically as "the best means that has been discovered of managing the fundamental political relations." Only the few understand science, so ideas must "be clothed in forms which make them sacred, in order that they can be taught to the children of all classes and the illiterate, whatever their age." In his last writings, he recommended a "new Christianity" whose scientific and artistic high priests would usher society to salvation—the latter understood as "productivity."

After Saint-Simon's death, his followers became an authoritarian and romantic sect, fusing his ideas with aspects of Catholic traditionalism. His successor, Enfantin, a "Père Suprême" of Saint-Simonianism, combined vocation and profession, becoming both a railway director and leader of a search for a woman messiah. Saint-Simon's other chief disciple, his secretary Auguste Comte, became Père Suprême of positivism. While he theorized that humanity ascends through theological, metaphysical, and positive stages, Comte contended that in the latter, scientific age, a "religion of humanity" ought to reign, complete with secular sacraments and temples, dogma (science itself), and priests; months would be renamed for positivist "saints."

One cannot but think of the transition from Lenin to Stalin. The science of society became Diamat, the party catechism, and the *Vozhd*-industrializer became Père Suprême, a messianist-railway builder with absolute power. The relation between Stalinism and religiosity was captured with particular vividness by Deutscher and in Tucker's *Stalin as Revolutionary* (1973). Stalin's mother, an illiterate, devout woman, sent her son to the parish school and then, at age fourteen, to the Tbilisi Theological Seminary. This institution was, in Deutscher's words, "half monastery and half barrack," virtually a totalitarian system in miniature with monks dictating ideology and keeping terroristic watch over their novices. Here the future dictator entered underground social democratic circles, and the dual training served him well. After his expulsion from the seminary, he became an organizer especially adept at explaining Marxism to untutored workers because, in Tucker's words, "the seminary gave him a catechistic approach to teaching. . . ."

It remained with him. Decades later, just after Lenin's death, he delivered what became known as his "oath" speech before an assembled congregation—in this case the Congress of Soviets. Stalin enunciated, one after another, Lenin's ordinances. He intoned a sacred pledge to execute each: "In leaving us Comrade Lenin ordained us to hold high and keep pure the great title of member of the party. We vow to thee Comrade Lenin, that we shall honourably fulfill this, thy commandment. . . ."

Stalin was not solitary in such devotions. The Central Committee announced, "In the soul of every member of our party there is a particle of Lenin." A peasant legend circulated that Lenin had once asked a physician to devise a means by which he would appear dead, so that he might behold what became of the Soviet Union without him. Three weeks after his demise is announced, Lenin exits the mausoleum in which his "remains" were placed. One evening he slips into the Kremlin to hear commissars debating; on another he listens to factory workers; subsequently he observes peasants.[7] Deutscher's description of the actual memorial organized by the Bolsheviks for Lenin might lead one to surmise that Saint-Simon or Comte reigned in Moscow:

> To myriads of peasants whose religious instincts were repressed under the revolution, the Mausoleum . . . became a place of pilgrimage, the queer Mecca of an atheist creed which needed a prophet and Saints, a holy Sepulchre and icons. Just as original Christianity, as it was spreading into pagan countries, absorbed elements of pagan beliefs and rites and blended them with its own ideas, so now Marxism, the product of Western thought, was absorbing elements of the Byzantine tradition, so deeply ingrained in Russia and the Greek orthodox style.

But absorption was, I've been suggesting, a two-way process, facilitated by the religious moment in positivized Leninist-Marxism. It is notable that, under Lenin, but much more so under Stalin, those within Russian society—and within the Bolshevik party—who were most at home in Western culture and rationalism were repressed and exiled. This included



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not only "Whites," but Mensheviks, liberals, technicians and "bourgeois specialists."

In short, self-declared Marxists came to power in a Russia lacking all preconditions for socialist goals, and had to accomplish what capitalism did in the West—thereby converting Marxism into a program for modernization and industrialization rather than emancipation—while eliminating those segments of the citizenry most "advanced" in know-how and political culture.[8] The rest of the population—the vast peasant majority—which hadn't been quite remade by 1917 as some Bolsheviks imagined, remained rooted in rural and traditional mores. As one student of Russian political culture, Robert V. Daniels, notes, "Political culture builds up and changes like a series of geological deposits . . . [and] it is not always the oldest and deepest elements of a culture that are most likely to disappear in the face of new experiences. . . ."

For many Western scholars, especially theorists of totalitarianism, the Stalinist political system received pride of analytic place. Moshe Lewin argues that this gave the notion of totalitarianism an "empty self-sufficiency," yielding "something quite ahistorical: A political system without a social one, a state floating over everything else, over history itself." Broad historical processes—including those born of state policy—were obscured. In his short, trenchant study, *The Gorbachev Phenomenon*, Lewin links the impact of social changes unleashed by Stalinism to events of the 1980s by conceptualizing "a dynamic historical process" shaped by the relation between the state, urbanization and what he calls Russia's "rural nexus."

This is a developmental approach, emphasizing urbanization as the transformative experience of modernity. At the time of NEP, Lewin argues, the new Bolshevik state faced a land "even more rural, and equally—if not more—backward than Tsarist Russia." Some 84 percent of the population engaged in an "archaic mode of life and production," structured by traditional peasant communal organization. The Bolsheviks envisioned the urban sector as the dynamic force impelling development, but czarist cities had been a "semi-barbarian branch of the rural world." Peasant migration into metropolitan areas tended to "ruralize" the municipalities rather than urbanize the new arrivals. Stalin deployed the state for a "developmental thrust into rural society [that] caused a protracted social crisis," unhinging traditional life, status, and location, creating a "quicksand society." There was a "spontaneous" wave of immigration—some twenty-seven million people—into the cities, where they coped with alien surroundings by creating "a version of the rural world." However, transformations wrought by the *Piatiletka* rapidly expanded the need for new bureaucrats. As the regime lacked trained cadres, the door was opened to massive upward social mobility. Many urban newcomers found themselves in new positions for which they were unqualified and in which they were disoriented. The inability of the bureaucracy and society at large to manage this upheaval created a vacuum which "invited an arbitrary and capricious use of power." In contrast to theorists of totalitarianism, who imagined that Stalinist ideology remade everything, Lewin argues it was because the regime was losing the ideological battle that it turned to "the ultimate tool that denotes frustration and ineptitude: terror."

The social bases for the Stalinist state were, therefore, badly collectivized peasants "flanked by millions" of poorly urbanized peasants governed by ill-prepared bureaucratic strata of rural or semi-rural origin. In the meantime the party was transformed from supervisor of change into "an adjunct of the economic bureaucracy." The party became étatized, lost its political nature, and the Stalinist system became a party-state-economy "bureaucratic matrix."

The Soviet urban population went from 18 percent in 1926 to 32 percent by 1939. After World War II, urbanization proceeded apace, engendering fundamental social transformation. Whereas urbanization in the 1930s still ruralized the cities, the opposite was true by the 1960s; peasant ways withered and modern urban life coalesced. By the 1980s, proletarians and white-collar workers, not peasants, composed the majority of the population, changing



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the country's social, educational, and cultural profile. And as "the industrial era" yielded to "the scientific-industrial-information era," the Soviet intelligentsia was re-created; "techno-scientific and intellectual" strata emerged. In the 1920s and 1930s, when the USSR was dominated by the "rural nexus," Westernized and "bourgeois" experts were eliminated by the regime and replaced by recruits from the "popular" classes who were ill-prepared to run things, let alone cope with Stalin's crazed socioeconomic goals. By the 1970s and 1980s a new reality had set in, with professional classes and intellectuals dominating everyday life. This transformation, Lewin adds, was missed by conservative social scientists and theorists of totalitarianism (for example, Brzezinski) who were focused on a Kremlin run by gerontocrats. They perceived lethargy when urbanization, education, and technological advance, concurrent with the decline of the rural ethos, were giving birth to a civil society within "broad layers of officials, political opinion makers and the party apparatus."

Urbanization had changed the social character of the country, encouraging "critical faculties" and the demand for "intellectual freedom." For "the first time in Russian history," the rural nexus did not dominate society. Yet although "well-educated urban citizens, not backward peasants [were now] the largest demographic group" in the USSR, the country was governed by "the institutions and methods of state-building inherited from Stalin [which] were a product of a rural country steeped in the authoritarian tradition that Stalin 'perfected' to a monstrous degree." In short, Stalin's revolution from above inaugurated long-term transformations of Soviet society, but the political regime's "anachronistic autocratic features" remained stagnant. Thus by the 1980s, Soviet society was "straitjacketed" by its political system; it needed "a state that [could] match its complexity. . . ." Lewin doesn't indicate it, but a parallel claim may be made for the Soviet command economy: it proved incapable of adapting to the technological and scientific revolutions of the last decades.

In short, metamorphoses of the social and economic bases engendered the need for change in the political superstructure. In the past half decade, we've witnessed the consequences.

## Conclusion

I posed, at the beginning of this essay, a question of continuity, whether Stalinism was the culmination or incarnation of something else—perhaps Leninism, perhaps totalitarianism, perhaps Russia. At the risk of being formulaic, this survey of theories of Stalinism seems to yield these conclusions:

1. Stalinism was not the inevitable consequence of Leninism, but given Leninism, it wasn't an accident. Leninism helped prepare the ground for Stalinism. Lenin's party, conceived as the embodiment of the science of society, was an impossible midwife for emancipating Russia, if emancipation means a society in which citizens control their lives and have reasonable prospects for social justice and decent living standards. Antonio Gramsci once called October 1917 a revolution against Marx's *Capital*. This was just the problem. Combining Leninist authoritarianism with industrialization of an oppressed, backward, rural country whose political culture and structures were fused by a theologically justified bureaucratic authoritarianism was no prescription for "liberation." Yet, the USSR would have been very different had there been thirty years of the NEP. So too, if the left had ascended to power after thirty years of Stolypin-like reforms under late czarism or if a broad coalition of the left had come to power in 1917 in pursuit of measured socioeconomic transformation and the fostering of democratic political culture and institutions. Of course historical "what ifs" don't permit definitive statements. Save one: these were objective historical possibilities. Consequently, Stalinism was not the *necessary* result of Leninism.

2. Though "totalitarianism"—the will to dominate all dimensions of life—describes the *Stalinshchina*, it is inadequate to understand it, and can obscure it by eclipsing its socioeconomic and Russian historical dimensions.[9] At its ideological and teleological worst, the notion of "totalitarianism" blurs Marx, Lenin,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and Stalin into one another—a profound historical distortion, since the first foes of Leninism were Marxists (the Mensheviks) and among the leading victims of Stalinism were Leninists (indeed, the Leninist party itself). The Stalinist state was one of the most heinous phenomena of modernity, in no small measure because of its mixture of totalitarian political and extremist economic ambitions, yet it wasn't only modern. The contradictions of plighting old and new were intrinsic to it, as the work of Tucker and Lewin shows.

The more one looks at Stalinism as a totality, instead of reducing it to totalitarianism, the more its Russian texture, as opposed to "Marxist ideology," becomes manifest. Anton Antonov-Ovseyenko, son of a prominent victim of Stalin, tells of a dinner party in 1927 at which Stalin, after a remark by Kirov concerning the need for cooperative leadership after Lenin's death, commented, "Yes, of course, the Central Committee, the collective. That's all very well. But the Russian *muzhik* is czarist. He wants only one." Stalin was suited for the transformation of Leninist "science" into religious Diamat; after all, he was a Georgian ex-seminarian turned Russian national Bolshevik.

3. Stalinism was not the inevitable consequence of Russian history, but given Russian history, it was no accident. It had deep roots in Russian political culture. Stalinism was only one objective possibility, but it is the objective possibility that became reality. Is it surprising that a country whose political culture and institutions were suffused with theologically justified bureaucratic authoritarianism transmuted into an ideologically justified bureaucratic authoritarianism (or totalitarianism, if you prefer), with heretics dispatched in both cases? One cannot read the Marquis de Custine's descriptions of czarist absolutism in 1839—his *Letters from Russia* provide a fascinating parallel to Tocqueville—without perceiving in them anticipations of the Stalin and Brezhnev eras.[10]

Stalinism was not the necessary ideological, historical, or structural continuation of other phenomena; it was, like all historical forces, the product of a constellation of circumstances and a melding of factors. Stalinism was radically transformative, horrifically murderous, but not teleologically determined. Too much was at historical play; it must be conceived in a historically complex and not ideological monocausal way. □

## Notes

[1] The following discussion makes no effort to be comprehensive. For more extensive surveys of the interpretations of Stalinism, to which I am indebted, see Robert C. Tucker, ed., *Stalinism: Essays in Historical Interpretation* (New York: Norton, 1977); Evelyne Pisier-Kouchner, *Les Interprétations du Stalinisme* (Paris: Presses Universitaires de France, 1983); and Guiseppe Boffa, *The Stalin Phenomenon* (Ithaca and London: Cornell University Press, 1992).

[2] In this summary of Martov, I cull from Israel Getzler, *Martov* (Cambridge: Cambridge University Press, 1967) pp. 174–75.

[3] My discussion of the Mensheviks is indebted to and draws from André Liebich, "Marxism and Totalitarianism: Rudolf Hilferding and the Mensheviks," *Dissent*, Spring 1987. Below I paraphrase from Hilferding's essay in Irving Howe, ed., *Essential Works of Socialism* (New Haven and London: Yale University Press, 1986)

[4] Parallel, though not identical, analyses of bureaucratic rule appeared in the work of James Burnham and Bruno Rizzi, among others.

[5] In the following discussion I draw not only from *Stalin in Power* (New York: Norton, 1990) but also Tucker's *Stalin as Revolutionary* (New York: Norton, 1973) and several of his essays, including "The Image of Dual Russia" in *The Soviet Political Mind* (New York: Norton, 1972), "Stalinism as Revolution from Above" in Robert C. Tucker, ed., *Stalinism* and "A Choice of Lenins" in G.R. Urban, ed., *Stalinism* (Cambridge: Harvard University Press, 1986).

[6] See Andrzej Walicki, *A History of Russian Thought from the Enlightenment to Marxism* (Stanford: Stanford University Press, 1979), p. 246. My discussion of nineteenth-century Russian intellectual life is indebted to Walicki and to Alexander Vucinich, *Social Thought in Tsarist Russia: The Quest for a General Science of Society, 1861–1917* (Chicago: University of Chicago Press, 1976).

[7] Recounted in Walter Laqueur, *The Fate of the Revolution*, p. 62 from an article describing the legend published in the spring of 1924.

[8] I draw here from the articles on Russian political culture by Edward Keenan and Robert V. Daniels in *Russian Review*, April 1987.

[9] The opposite problem emerged in the late 1970s and early 1980s with the development of a group of "revisionist" historians emphasizing the social dimensions of Stalinism. Most prominent among them was Sheila



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Fitzpatrick, who defined herself as a "positivist at heart," free of value-laden concepts like totalitarianism. She contends that by disaggregating Stalinism and revealing its social dimensions, she finds that the regime had far less control than it claimed. Unfortunately, her elucidation of social developments makes the state virtually secondary in the Stalinist system. It is not a Stalinist state that I, in any event, recognize. As one of her critics, Geoff Eley, admonished, the state "is not something that can be removed or restored by historians at will." Lewin contrasts sharply here because he emphasizes the interrelation between the political and social. Fitzpatrick's work ignited a major controversy in *Russian Review*, October 1986 and October 1987.

[10] To say that Russian political culture was deeply authoritarian is not to presume it to be immutable. (In fact, Lewin's account of Soviet transformation gives reason for a certain optimism.) Nor is it to deride all of Russian civilization, as Solzhenitsyn imagines. One can admire the writings of Pushkin, Dostoyevsky—some of Solzhenitsyn's too—together with the music of Mussorgsky and the architecture of St. Basil's while recognizing a profound historical problem in Russian political culture; Stalinism did not arise in Manitoba.


dissent

## Major Sales Outlets for Our Magazine in New York City:

ALHUMRE INC.
1605 2nd Ave. (83rd & 84th Sts.)

BARNES & NOBLE, ANNEX
126 5th Ave. (18th St.)

B. DALTON
109 E. 42nd St.
666 5th Ave. (52nd St.)

BOOKS & CO.
939 Madison Ave. (75th St.)

COLISEUM BOOKS
1771 Broadway (57th St.)

EASTERN NEWSSTANDS:
30 Rockefeller Plaza
750 Third Ave.
350 Fifth Ave.
200 Park Ave.
540 Madison Ave.
World Trade Center

EASTSIDE BOOKSTORE
11 St. Mark's Place

EMPIRE CANDY
2635 Broadway (100th St.)

GOTTFRIED BROS
600 Madison Ave.

HUDSON NEWS
753 Broadway

HYDE PARK STATIONERS
992 Madison Ave. (77th St.)

JONIL
245 3rd Ave.

LIBRARIE LIPTON
850 Lexington Ave.

LINA MAGAZINES
Park Ave. So.
(21st & 22nd Sts.)

LOBBY OF THE
PAN AM BUILDING
200 Park Ave.

MAGAZINE MECCA
Broadway between 71st
and 72nd Sts.

THE MAGAZINE STORE
Broadway bet. 62nd & 63rd St.

NIKOS
462 6th Ave. (11th St.)

NIVA TRADING INC.
405 6th Ave.

PAPER HOUSE, INC.
18-A Lexington Ave.
(22nd & 23rd Sts.)

PAPYRUS
2915 Broadway (114th St.)

PARKSIDE STATIONERY
120 East 34th St. (Lexington Ave.)

PARSLEY SAGE, INC.
73 7th Ave. S. (Barrow)

PERIODIC NEWS
405 6th Ave.

REVOLUTION BOOKS
13 East 16th St.

RIZZOLI
Winter Garden
Battery Park City

RIZZOLI
31 W. 55th St.

RUTKIN NEWSSTAND
42nd St. (Between 5th & 6th Aves.)

72ND ST. STATIONERY
238 W. 72nd St. (Broadway)

SHAH STATIONERY
2795 Broadway (107th–108th)

SHAKESPEARE & COMPANY
2259 Broadway (81st St.)

SPRING STREET BOOKS, INC.
169 Spring St.

ST. MARK'S BOOKSHOP
13 St. Mark's Place

STATE NEWS
1243 3rd Ave. (71st–72nd)

STATE NEWS—WEST SIDE
2571 Broadway (96th–97th)

TOBACCO SHACK, INC.
1546 1st Ave. (80th–81st)

TOWER 67 NEWS
165 Amsterdam Ave.

WALDEN BOOKS
57 Broadway (Wall St.)

WAVERLY SMOKE
Waverly Place

WENDELL'S
302 W. 12th St.




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Joanne Barkan**

# END OF THE "SWEDISH MODEL"?

## Why the Social Democrats Lost

During a recent trip to Sweden, I sat through the opening of the new session of Parliament. As I waited along with several hundred other people for King Carl Gustaf and Queen Silvia to arrive, I was struck by how melancholy the festivities must be for the Swedish Social Democrats. They'd foundered in the September elections (their worst showing since 1928) and had given up the reins of government after fifty-three of the last fifty-nine years in power. They couldn't have been in the mood for all the hoopla—folk dancers, high school choruses, processions in costume. Then midway through the program came a bizarre nod to recent events. A punky chanteuse, dressed from head to toe in black except for a single red flower, launched into a reedy rendition of Arlen and Mercer's 1943 classic:

> We're drinking, my friend,
> To the end of a brief episode,
> Make it one for my baby,
> And one more for the road.

One more for the road? What a change in fortunes for the Social Democrats since the previous election. When I went to Sweden for the 1988 campaign, there was news of a booming economy, unemployment dipped below 2 percent, groups of prosperous-looking kids from the public day care centers frolicked in Stockholm's well-tended parks. Statistical studies revealed a society that had one of the world's highest living standards, but also the highest levels of democracy and equality. Given that Sweden ranked among Europe's poorest nations at the start of the century, what I saw vouched for decades of extraordinary creativity on the part of the social democratic movement.

Not surprisingly, in 1988, citizens rated the environment as their primary concern. With material needs met, non-material issues come to the fore. The Green party entered Parliament. The Social Democratic (SAP) vote of 43.2 percent sufficed to set up the party once again as a minority government.

Three years later, on September 15, 1991, the SAP vote fell to 37.6 percent. The party lost 50 of the 194 municipal governments it controlled. (Conservative coalitions won in about 140 of Sweden's 284 cities and towns.) The economy had skidded into recession. Unemployment hit 3.4 percent. Other nations might wish for a rate so low, but for Sweden it amounted to the highest level since the Second World War—and it was still climbing.

Yet everyone I talked to after the elections believed the vote signified more than punishment for bad economic news. The right-wing wave that had appeared to recede in 1988 swept over the political landscape. The catchwords of the conservative parties—market, choice, individualism, freedom—rang with greater resonance. The Moderate party, promoting a Swedish Thatcherism, dominates the new government. Carl Bildt is the first right-wing prime minister in sixty years. (When the Social Democrats lost the government in 1976 and 1979, the less conservative Center and Liberal parties carried more weight.)

Swedes got a shock when 6.7 percent of the electorate chose a recently formed far right party, New Democracy, that specialized in rock

The author wishes to thank the Swedish Information Service for making possible her research in Sweden.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

concert rallies. A political rookie winning so much so fast marked a cultural revolution of sorts; parliamentary democracy had been so stable in Sweden that, before the Greens, no new party had entered Parliament for almost seventy years.

New Democracy pounded away at the Social Democrats' generous policies toward immigrants, refugees, and developing countries. The implicit racism of the message repelled most Swedes, including long-time conservatives. (One Christian Democrat I know summed up the widespread reaction: "This is something new for us and it's bad.") Social Democrats, who thrive on meaty political discourse, could barely stomach New Democracy's campaign message. The rightists railed against meter maids and high taxes on alcohol. One New Democracy municipal candidate called for the free ranging of pigs and won by three votes.

The SAP attracted only 20 percent of the first-time voters (the minimum voting age is eighteen). Three out of four first-time voters opted for one of the conservative parties. The figures on blue-collar voting added to the bad news. The Swedish Trade Union Confederation (LO)—which represents about 90 percent of blue-collar workers and is structurally linked to the SAP—didn't deliver the troops. Only 56 percent of its membership voted SAP, a historic low. Polls show that the Social Democrats lost votes to the left and right—but mostly to the Liberal party and, surprisingly, young males to New Democracy.

What's going on here? Well, it depends on whom you ask.

Younger conservative voters consistently responded like Daniel Rock, a thirty-year-old private insurance consultant enthusiastic about the Moderates. He heaved a sigh of impatience when I mentioned the Social Democrats. "They're so boring! And old fashioned! We need something new, something modern." Beatrice De Geer works in upper management for the state railway system. She supports the Moderates. "In Sweden, the left is conservative," she told me, "and the right is modern. A funny paradox, isn't it?"

For these Swedes, "new" and "modern" go hand in hand with notions of a market triumphant. Like American yuppies of the Reagan years, they want no limits placed on how they get ahead. They bridle under a system that's structured to increase equality. They dislike what they see as social democratic paternalism. Carl-Gustaf Wahlberg, a sales representative for a Korean computer manufacturer, offered this definition of the Social Democrats: "They're the ones who make you wear a life jacket when you ride a bicycle because twenty years ago two bicyclists fell off a bridge and drowned."

Stefan Svallfors, a left sociologist at the University of Umea, answered my questions about paternalism in a personal vein. "Right after my wife and I had our first baby, we went for an interview with a pediatric nurse, part of the standard procedure. So there we were, with our new baby, really happy, and the nurse began describing what to watch out for to avoid child abuse. Right after we had our second baby, we went away for a few weeks. When we got back, we found several messages on the answering machine from the nurse. I think she was worried that we'd done something terrible to the baby. We thought it was funny, but I suppose some people feel like an insufferably sensible brother is always watching them."

Svallfors couldn't quantify the grumbling about paternalism, but he knew it hadn't undermined strong support for the welfare state through the late 1980s. "In fact," he told me, "the small changes in public opinion from 1981 to 1986 were in favor of *more* public spending."

This explains why the conservative parties didn't challenge comprehensive social welfare. Instead they promised even better services with lower taxes. Moreover, taken together, the four parties that formed the new government (the Moderate, Christian Democratic, Liberal, and Center parties) didn't attract a majority of Swedes. Their combined total came to only 46.6 percent of the vote. So despite what conservatives often said, the desire for something new couldn't stand alone as an explanation for the election results.

In center Stockholm, just up the street from the twin-towered brown building that houses the LO—a landmark for the Swedish left—are



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the cluttered offices of the autonomous Trade Union Institute for Economic Research. I spoke about the election with its director, Villy Bergstrom, a longtime SAP activist.

"To explain the sharp drop in SAP support," Bergstrom began, "you have to go back to the 1988 elections. The Social Democrats promised to extend paid parental leave to eighteen months and minimum vacation time to six weeks. After the election, the economy began to show problems. The SAP had to go back on its promises. Then there was the tax reform. The Liberal party made a modest proposal in 1988 for lowering the marginal tax rate. The Social Democrats attacked them, saying the change would create less equality. But when the government finally passed a tax reform, something we needed, it went much further than the Liberals' original proposal. People felt in their gut that the reform was regressive. As a minority government, the SAP had to compromise to get Liberal votes. But meanwhile it alienated SAP supporters who want equality and strong government.

"Tax reform was the biggest blow, but the party made one-hundred-eighty-degree turns on lots of issues, for example, allowing advertiser-supported television and deals with the conservative parties to delay the dismantling of nuclear power plants. The last really pissed the environmental part of the SAP. Then there was the decision to join the European Community, the most important decision for Sweden in the century, but it was taken all of a sudden by the government. In Norway, they'll have a full-fledged debate in the party and the nation.

"It's not surprising that people were confused," Bergstrom went on. "Taboos were broken down. Many policies were correct in the long run, but they disoriented the SAP base. There wasn't enough discussion. And since the conservative parties had supported some of these policies earlier, it looked like they had been right all along.

"The SAP's image was hurt also by quarrels between the party and the LO. The LO paid a high price to get its membership to agree to lower wage increases, but the union was cheated when public-sector workers and white-collar workers in the private sector got higher increases. Stig Malm, the head of the LO, made outrageous statements about SAP leaders, calling them rats leaving a burning ship. He had to apologize publicly. He looked bad, but the SAP no longer came across as the stable party that inspired confidence."

Whenever I spoke with Social Democrats, the SAP's loss of initiative came up. Sven Ove Hansson teaches political philosophy and has worked in the past as a campaign strategist for the party. "The SAP," he said, "didn't have even one major issue of social justice or equality of its own to push in this campaign. In recent years, the party's rhetoric has sounded defensive, like an accommodation to the right. So voters decided that they might as well get the 'real thing.' "

Many Social Democrats see the issue of public sector reform as a prime example of how the party failed. Although international surveys rank Swedish public services high indeed—even among the wealthiest nations—Swedes have complaints about day care and health care. In the Stockholm area, parents must sometimes wait for a day care opening after their fifteen months of paid parental leave. Although I never heard anyone claim that public day care wasn't good quality, some parents want a greater variety of choices—for example, day care with a program that emphasizes music. People desire more choice in health care, too. In addition, health-care workers have something of a reputation for being unsolicitous and inefficient, and hospitals have waiting lists for certain kinds of elective surgery.

The conservative parties pounced upon these issues early on and began pushing the notion of privatization; Sweden, they argue, needs a mix of private and public services to generate competition that would beget efficiency and choice. Each of the five right parties sells its own version of privatization, but together they've put the Social Democrats on the defensive.

The SAP's problem isn't just bureaucratic foot-dragging (although that's a factor); difficulties with the public sector touch a sensitive nerve. Dan Andersson, an economist for the LO who is chair of his local SAP organization, told me this story. "There's a retired railroad worker who lives in my district and has trouble



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

walking. Because I'm his party leader, he asked me whether he should use his savings to pay to have a hip operation done privately, or if he should stay on the list for the public hospital. It's a moral dilemma for SAP people to go outside the public system. I told him to get the private operation so he can live all his remaining time as well as possible, but it was a painful decision."

Because of a commitment to equality and universal provision, the Social Democrats have traditionally opted for centralized, standardized services. Many worry that greater variety will mean, in practice, no standards. They see a mixed private and public system as leading inevitably to high quality private services for those who can pay—and poor services from an underfunded public sector for everyone else.

Most experts on the Swedish left share these worries about privatization, but they believe the SAP has been slow to recognize other options, such as competition and variety *within* the public sector. "The ideas were there," said Andrew Martin, a political scientist who's written extensively on Sweden. "It's political leadership that's been missing." To hear more about these other options, I went to the Swedish Center for Working Life. This government-funded research institute has been under assault by conservatives for years. I spoke there with Casten Von Otter, who studies the public sector.

"Choice has been tried successfully with maternity care since 1988 or 1989," he told me. "The public hospitals offer alternative methods for giving birth, and women can choose any hospital. Funding is linked to the number of patients attracted. But it all stays within the public sector. The strong profit motive of private providers drives up costs. They might keep unit costs down, but then they raise the volume of units. That's why you have overtreatment in the United States."

Von Otter calls the new approach for the public sector "civil democracy." He continued, "We want to empower people—service consumers—because no one listens to the disempowered. We're proposing demand-led competition. The SAP has to get better at listening to what people want."

The overall picture of SAP policies between 1988 and 1991 looks sufficient to explain the party's drubbing in the election. But as Villy Bergstrom said, "These are the short-term things." The long-term issues involve nothing less than the breakdown of the famous "Swedish model"—at least as it's been structured since the Second World War. This is not happy news.

Around the time of the election, American foreign correspondents reported the "collapse" of the Swedish model, but they usually misdefined it. The typical characterization of "high taxes to pay for cradle-to-grave welfare" leaves out the bundle of mechanisms and institutions that distinguish the Swedish system.

The model dates back to the 1930s when the Swedish Confederation of Employers and the LO agreed to bargain in good faith. Employers would retain the right to hire and run their firms; unions would organize workers and represent them in negotiations; the state would not intervene.

A famous agreement signed at Saltsjobaden in 1938 took on the general sense of a "historic compromise" between the two great antagonists of industrial civilization. Labor made the decision not to challenge private ownership. The business elites accepted that labor would equalize income (and, to some extent, power) through universal social welfare. Both sides agreed to work for an efficient, growth-oriented, export economy. In the unequal real world, labor managed to balance capital by means of the LO and the SAP. With the ground rules set, the Social Democrats knew exactly what they wanted: full employment and equality in a democratic context.

The historic compromise actually worked and probably reached its fullest expression in the Rehn-Meidner model, first implemented in the 1950s. Designed primarily by two prominent LO economists, Gosta Rehn and Rudolf Meidner, the model addressed the problem of inflation as well as full employment and equality. The basic mechanisms operated this way: In centralized negotiations, the LO and the Swedish Employers' Confederation agreed upon a solidaristic wage policy, which meant equal pay for equal work *nationwide* regardless



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

of whether sluggish firms would have trouble keeping up or dynamic firms could pay more. As a result, inefficient firms either shaped up or went under, and productive firms had more surplus to invest, thereby boosting the efficiency of the entire economy.

Workers who lost their jobs could depend on finding new ones through the government's labor-market policies (job placement, training with pay, interim work in the public sector, vocational counseling, grants for worker relocation, subsidies to companies to retrain workers, and so on). High productivity in the economy combined with pay equity allowed wages to rise overall but helped the lowest paid workers most. So equality increased. The gap between average wages in the highest paying industry and the lowest paying industry shrank to only 12 percent by 1976 as against 30 percent in 1960 and much more before the war.

None of this, however, could work without the government imposing a restrictive fiscal policy to hold down demand in a full employment economy. Without tight fiscal policy, prices would rise, and employers would bid up wages in an inflationary spiral. The government, of course, also used fiscal policy to pay the welfare state bill and to channel profits into investment. Under Rehn-Meidner, Sweden enjoyed more than two decades of full employment while both equality and efficiency increased (which is not supposed to happen according to the books).

I wanted to talk to Rudolf Meidner about the current state of the model. In his mid-seventies, Meidner has retired from the LO but works several days a week at the Swedish Center for Working Life and still lectures abroad. "The model," he said, "hasn't collapsed—despite what your newspapers say. But it's being attacked heavily. It's at a critical stage."

Arguing that the model hasn't collapsed puts Meidner in the minority among the economists, political scientists, and sociologists I talked to. The majority is already debating *how* it happened. Did the economic context change so dramatically over the last fifteen years that Rehn-Meidner ceased to fit the situation? Or did the SAP violate the "rules" of Rehn-Meidner during the 1980s, inadvertently causing its destruction? The two explanations aren't mutually exclusive, but how you weight them says quite a bit about whether any single national government—in Sweden or anywhere else—will be able to sustain strong social democracy in the future.

Said Meidner: "The old solidaristic wage policy covered large groups of workers. It depended on mass production. Now production is more decentralized and individualized. There's still the commitment to some kind of solidarity, but new organizations of work and new technologies lead in a different direction. Another risk is that the Employers' Confederation has withdrawn from centralized negotiations. This means the unions have lost their counterpart. Of course, the employers weren't committed to the system, but in the past, the LO was strong enough to make them negotiate."

I also spoke to Anna Hedborg, deputy minister of social services in the outgoing government and a close collaborator of Meidner in the 1970s. "Sweden has the world record in organizing white-collar workers, but they belong to the Central Organization of Salaried Workers (TCO), not the LO. This has weakened the LO, which, in turn, has weakened the whole labor movement. The LO used to take responsibility for all workers when it bargained with the Employers' Confederation. Swedes used to think of unions in terms of fairness for all. Now, unions act like interest groups. To make the labor movement strong again—which is the basis for the Swedish model—we need a new, closer relationship between the LO and the TCO.

"Another problem," Hedborg continued, "is the internationalization of capital and currency markets. It limits the power of national policy, and there's less room for mistakes."

What Hedborg says about capital and currency holds for production, too. A national wage-and-employment policy counts for much less if firms scatter their production and research, as well as products, all over the globe. In 1985, when the European Community proposed a single market for goods, capital, and labor, Swedish capital started flying out of the country. Swedish businesses



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

feared losing markets in Europe because Sweden didn't belong to the EC. The capital flight not only jarred the economy, it proved once again the weakness of national policy—especially for tiny nations—in a globalized economy.

In trying to understand what happened to the Swedish model, some experts conclude that, after fifteen years of these structural changes, Rehn-Meidner—brilliant as it was—no longer fit the bill. Others, while not denying that important changes took place, believe they tell only half the story, and that the "structural change explanation" lets the SAP off the hook. According to this view, Rehn-Meidner fell victim to the SAP's botched macro-economic policies of the 1980s.

When the Social Democrats returned to government in 1982, they had to clean up the former government's economic mess. This meant reducing unemployment without increasing balance of payments deficits. The SAP immediately devalued the *krona* by 16 percent. The Social Democrats chose this approach in order to boost export industries (and investment in that sector) which would create jobs but still close the payments deficit.

Political scientist Andrew Martin described what happened to the devaluation strategy: "At first it looked like a success. Brookings and the *Economist* were saying that in the mid-1980s. But it was undone by a loan-financed consumption boom when the government deregulated the domestic credit market. There was real-estate speculation, and then tight labor and high wage drift spread throughout the economy. The yuppie industries—insurance and banking—grew. There was practically no unemployment in the Stockholm area. Some say it was too easy to make profits, and firms weren't pressured to shift to new technologies and products."

At this point, according to Martin, the SAP violated the Rehn-Meidner model. "The government kept postponing restrictive measures. Restrictive fiscal policy is an essential ingredient of the model. In the context of an inflationary boom, solidaristic wage policy becomes impossible. You can't curb wage rivalry. After 1988, it was especially difficult to take restrictive measures because the SAP couldn't get support from the Left Communist party. By that time, their turn to austerity was frantic, belated, and futile."

For Martin, the SAP's policy blunders had negative long-term consequences. "It all played into the hands of the employers and cut the ground out from under the union leadership. In the absence of a boom, the LO and government could probably have brought the employers to the bargaining table for central negotiations. The right-wing offensive was blunted as long as the Social Democrats maintained their credibility as the only ones that could manage the Swedish economy. But once they lost that, the way was opened for a more drastic swing to the right. If the SAP had done better with macro-economic policy, had responded more creatively to public sector reform, and had made its case for tax reform, I think it could have won the election."

In a paradoxical fashion, Martin's take on Sweden ends up being the more optimistic: He sees a way that the SAP could have stayed in power and upheld the Rehn-Meidner model for the time being. If that's so, then idiosyncratically left-wing social democracy of the Swedish type might still be possible in one country. The more pessimistic conclusion is that Rehn-Meidner was on its way out no matter what the SAP did; "post-industrial" economies can't sustain Rehn-Meidner–type mechanisms, and a single nation can't buck standards set in the global market. If that's so, then social democrats everywhere have but two choices: settle (more or less) for the going standard in the international market, or do some collective policy-making on the international level.

The Swedish Social Democrats have until the 1994 elections to debate what went wrong and how to fix it. The customarily cohesive party doesn't show any serious splits, but on some key issues activists divide into "traditionalists" and "reformers." "The traditionalists," said Pierre Schori, former deputy foreign minister and currently a member of Parliament, "are cautious about changing SAP policies. The reformers want to make us more open to market solutions and privatization. But while reformers accept, for example, private day care



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

co-ops, they don't accept profit-making in social services."

Another debate raises a fundamental identity question: How does a left social democratic movement appeal to the middle classes of a wealthy society? I spoke about this with Yrsa Stenius, former editor-in-chief of *Aftonbladet*, the national newspaper that supports the SAP. "Some reformers argue that in order to win 45 percent of the vote again, the SAP has to shift right, becoming more like the Liberal party. But this doesn't make sense since the Liberals—who stand for the market and a safety net for those who don't succeed—lost 25 percent of their electorate in 1991. The traditionalists say we must keep our politics of equality and full employment even if it means becoming a party of 35 percent. I think we have to reach lower- *and* middle-class voters with our message of equality. If not, we'll never again be a party of 45 percent."

No one knows how the internal discussion will play out, but many Social Democrats expect the organizational ties between the SAP and LO to loosen in the future (LO representatives now sit on SAP governing committees). "If the LO and white-collar unions merge," said Rudolf Meidner, "the formal links between LO and SAP can't remain the same. The white collar unions are politically unaffiliated. As society changes, perhaps there should be a clearer division of responsibility—the party represents the whole country; the union defends the interests of its members." Andrew Martin, like many others, sees the transition as likely but unfortunate. "The Swedish model depended on the SAP-LO link. The two separate are not as much as the two together. It's the end of what characterized the model."

Conservatives are pursuing just this kind of development. They'd like to put an end to all Swedish idiosyncrasies. Mats Svegfors, editor-in-chief of the conservative newspaper, *Svenska Dagbladet*, told me, "In the vision that former Prime Minister Olof Palme had for Sweden, we were independent of what happened in the rest of the world. It wasn't true then, and it's less true now. We have to become Europeanized." Expressed as concrete government policies, this means reducing taxes and public sector spending to average European levels, privatizing as much as possible, and paring down the labor movement by means of regulations that discourage membership (conservatives would like to see about 60 percent of the work force organized, rather than the current 85 percent).

The Social Democrats haven't squared off against such a well-prepared, ideologically determined opponent in more than a half century. And the context—integration into the European Community—puts limits on what the SAP can propose. With unemployment above 4 percent and rising steadily, some Swedish leftists despair of ever reestablishing a full-employment society. Sweden may well lose some of the singularity that Rudolf Meidner described to me as "a promise of a humane way of living together."

How much is lost still depends in part on the Social Democrats. They need a revised script for performing in the international arena. Labor economists have started developing a wage policy based on raising employee skills and productivity at the firm level. SAP leaders are planning a close working relationship with the progressive parties of the European Parliament (the latter have encouraged Sweden's entry into the EC because they want to fortify the left). The Social Democrats are veteran players who might yet turn in a fine performance. For now, at least, "One More For The Road" sounds premature. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

John Logue and Dan Bell

# WORKER OWNERSHIP IN RUSSIA

## A Possibility After the Command Economy

It was raining when we pulled up in front of a low, nondescript factory in Tver, two hours' drive northeast of Moscow. The Tveris glass plant, built as a state enterprise, was celebrating its first anniversary of employee ownership.

Tveris Glass is one of some hundred firms that, by the time of our visit in July 1991, had opted out of the command economy through direct worker ownership. What "direct worker ownership" means varies from enterprise to enterprise, but the concept of worker ownership is an attractive alternative both to state ownership and to such other forms of privatization as sale to managers and government officials (the "propertization of the nomenklatura"); sale at auction to the Russians with the most rubles, the so-called black market mafia; or sale to foreign investors. "Employee ownership is the most socially acceptable form of privatization," economist Jacob N. Keremetsky told an audience of Soviet managers of employee-owned and -leased businesses in July, "because it avoids the class conflict inevitable in all the other types of privatization."

The Russian republic's government intends to convert its moribund command economy to a market economy. But who will own what is far from clear. A variety of ownership forms are compatible with the market, ranging from highly concentrated private ownership, through a Jeffersonian pattern of widely dispersed ownership in small businesses, family farms, and employee stock ownership, to state and municipal ownership within a market socialist structure. Each has its adherents among Russian reformers. Choosing *which* mix of ownership forms is to replace monolithic state ownership is a crucial issue in the process of economic reform.

The purpose of our visit to employee-owned plants in the Moscow area in July 1991 was to discuss what Russian firms could learn from the American experience with employee ownership. Although that experience is mixed, some eleven thousand U.S. companies employing over 10 percent of the non-public sector work force have introduced some element of employee ownership through Employee Stock Ownership Plans (ESOPs) since 1974; more than two thousand of those employing more than one million people are estimated to be majority employee-owned. Studies demonstrate that firms that combine significant employee ownership with significant employee participation systematically outperform their conventional competitors. Good business and distributive justice can go hand in hand.

The passage of the Russian republic's privatization legislation in July 1991 lent a sense of urgency to understanding worker ownership, for the legislation gives employees preference in buying enterprises to be privatized. (Legislation calling for giving every citizen a voucher that could be exchanged for shares or real property was also passed. Implementation of the voucher system has, however, been postponed as inflationary.) The conservative opposition to the concept, epitomized by KGB chief Vladimir Kryuchkov's condemnation of direct worker ownership, was swept aside in the aftermath of the August putsch attempt. The July legislation is currently being amended. The government's position is to award 25 percent of shares to employees



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

without charge and to sell an additional 10 percent to workers and 5 percent to management at preferential prices. Given Boris Yeltsin's announced aim of privatizing half or more of construction, food, light industry, and retail trade in 1992, the employee-owned sector could grow quickly.

Direct worker ownership remains terra incognita for most Russians. Leonid V. Leibov, the general director of a group of five furniture plants employing 2,500, put it succinctly: "When we started looking at introducing worker ownership at Mosfurnitura, we had no more idea of how to carry it out than Gorbachev did when he started perestroika."

The first halting steps toward employee ownership were taken in the early days of Gorbachev's economic reforms. "Work collectives"—employees as a group—were permitted to lease state enterprises on an experimental basis. Employee leasing began on a small scale in the service sector of Estonia in 1985 and was adapted to industrial enterprises around Moscow in fall 1987 by Dr. Valery M. Rutgaizer, an economist then at the All-Union Institute for Public Opinion Research. Leased firms were able to retain their surplus and plow it back into the enterprise in the form of capital improvements, wage increases, and programs to improve the living conditions of the employees. By February 1990, employee-leased firms were estimated to number between 1,200 and 2,000 and to employ between one and two million. Such enterprises saw sharp increases in productivity and benefited from a more entrepreneurial management style.*

While leasing contracts were initially negotiated on the basis of historical profitability, in December 1989 the USSR Supreme Soviet passed a law that changed the terms for setting the lease price to a formula based on a percentage of the firm's asset value. This raised lease fees sharply and diminished leasing's attraction. In January 1990, the Union's Council of Ministers offered an avenue permitting employees to buy industrial assets directly: it created BUTEC People's Concern as an economic experiment combining collective worker ownership of enterprises and market relations. State-owned enterprises that joined BUTEC were permitted to withdraw from the state plan when their work collectives purchased the enterprises' assets. The Law on Property, which took effect on July 1, 1990, provided a more permanent legal basis for this form of ownership.

In BUTEC's first eighteen months, work collectives of some sixty-six state enterprises in light industry, construction, and services—70 percent of them in the Moscow area—took advantage of the BUTEC model to buy their assets. (As of July 1991, BUTEC members also included four hundred new businesses. About eighty state enterprises in sectors where privatization was not permitted were associated members.) Together they employ about twenty-six thousand people; the median employment is about three hundred, small by Soviet standards. While other experiments have been undertaken on an ad hoc basis in individual firms, such as the truck producer Kamaz, the BUTEC model prescribed a systematic framework governing the purchase, operation, and distribution of member enterprises' profits. Although the new privatization law will lead to mass privatization outside BUTEC, the BUTEC experiment provides most of the Russian experience with direct worker ownership.

Work collectives joining BUTEC received the right to purchase the business at the "residual asset value" as determined by a local commission. Although prices have varied with the skill of the negotiators, they have typically been low—encouraging experimentation—since "residual value" permitted deducting imputed payments on the assets' acquisition price through employee labor during the years of state ownership. Funds for purchasing assets were derived from the profits of the enterprise, employee savings, and state bank credits. At the state's discretion, outdated fixed assets could be given to the employees. Purchase payments were divided between the union government and the local government in proportion to the share each had previously received of the profits of the enterprise.

Once the enterprise was purchased, the

* For an account of the leasing system and early steps toward direct worker ownership, see Jacob Keremetsky and John Logue, *Perestroika, Privatization, and Worker Ownership in the USSR* (Kent: Kent Popular Press, 1991).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

BUTEC model permitted its value to be divided among the employees individually "according to their personal labor contribution." How an individual's labor contribution was determined was left to the discretion of the enterprise. However, the law specified that the value of the enterprise for individual distribution was set at the initial amount paid plus any portion of the acquisition loan that had been repaid. Any value that has not been paid for, because it was credited to employees for past labor or was a simple grant from the state, would not be distributed among the workers individually though it belonged to them collectively. An employee leaving the enterprise would be entitled to compensation for his individual share.

BUTEC enterprises were permitted to determine their own plans for production, obtain their own sales, deal directly with suppliers, issue securities, hire skilled labor, set wages, and establish their own prices within legal limits "under the guidance of the market," as the regulations implementing the Council of Ministers' decree stated. BUTEC member firms were also entitled to engage directly in foreign trade and to set up a commercial bank to provide credit to the enterprises and to individual employees and to handle foreign currencies. Thus BUTEC enterprises represented a nascent market system, building market relationships from below, though they also could continue to buy from and sell to state enterprises covered by the plan. Their profits belonged to the enterprise (and hence the employees); their direct relation to the state was limited to paying taxes. Rates vary with use: retained earnings used for capital improvements and social development (such as housing) were taxed at 8 percent; remaining income was taxed at 17 percent. What was left could be allocated among employees in bonuses and dividends.

Motivations for joining the BUTEC experiment varied. "We were all idealists," says Valery N. Varvarov, BUTEC's personnel director. But idealism was tempered with economic incentives. For the managers we talked to, a crucial motivation was escaping the straitjacket of the state plan. As one put it, in the old system "The art of the manager was to neutralize the bureaucracy and to keep it from hindering your work." In the new, they could escape the command system entirely.

In enterprises like Tveris the legal framework for worker ownership is being fleshed out. "Our principles are empirical," says BUTEC's Varvarov. "We are designing a new ownership and managerial system through our practice." So let us look at two cases.

The Tveris plant, which produces consumer glassware and art glass, was built from scratch by its employees a quarter of a century ago. On July 1, 1990, employees bought the firm's two glass plants and auxiliary enterprises (a machine shop, power plant, and hog farm) for six million rubles. This is a modest price for a firm that does thirty million rubles in sales, employs one thousand people, and has an operating income of ten million rubles. Igor Semionov, its director, estimated the firm's real value to be at least fifteen million rubles. The purchase price was calculated as the residual asset value of the plant's 1972 asset inventory. Of the six million ruble purchase price, two million came from cash on hand; the remainder was a three-year bank loan with a 10 percent fixed-interest rate.

Registered initially as a "People's Concern" within BUTEC, Tveris restructured itself as a shareholding society in May 1991, issuing 6,500 shares valued at 1,000 rubles each. Two thousand shares, representing the initial two million ruble payment, were allocated on the basis of seniority and salary to individual employees; some 70 percent of the employees qualified for these shares on the basis of their service records. An additional five hundred shares were made available for direct purchase by employees who could buy them on credit; this represented new equity, and was also distributed to individuals. The remaining four thousand shares are held by the shareholding society collectively; some or all of this bloc may be sold in the future. The firm will initiate an internal market in 1992, which will permit employees to buy and sell shares to each other.

In its first year of employee ownership, Tveris did well. It increased both wages and wage differentials from a range of two hundred



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

to six hundred rubles a month to a range of three hundred to twelve hundred. (The average industrial wage in July 1991 was about 250 rules per month.) The firm undertook a number of major projects including building a new plant and four and a half million rubles worth of new housing construction for employees. In an effort to insulate Tveris against what Semionov called "the complete anarchy in supply," a small commercial bank and several trading firms were founded to serve as an alternative to state supply and distribution channels.

Semionov first became general director in 1988 in the brief period when directors were directly elected by the workers. Today he is selected by and responsible to a seven-member management board elected by a fifteen-member shareholders' council, which, in turn, is elected by the employee shareholders. The council includes the local trade-union leader. The relative roles of management and council have not been clarified. The council represents the owners and has a right to democratize management. Yet management requires expertise. Semionov has tried to educate his staff on finance, so far with little success.

Despite the innovations in ownership and the computer on Semionov's desk, Lenin's collected works still fill his shelf. "Which of Lenin's articles would you recommend that I read to understand what's happening?" I inquired. "All of them, John. *All* of them," he replied.

By contrast, the portrait of Lenin that had hung over the desk of Stroipolymer's general director, Boris N. Makharinov, had been removed by February 1990. The awards for exceeding the plan still held their accustomed place of honor, but the new buildings and new products drove home the point that independence from the plan had obvious advantages.

Stroipolymer, located in Golitsyno, about thirty miles outside Moscow, manufactures laminated polymer construction products, including linoleum, wall paper, and vinyl wall coverings. In April 1988, it was one of the first plants in the Moscow region to be leased by employees. It did very well; the average wage increased from 220 rubles in April 1988 to 360 in February 1990 for its 700 employees, while the enterprise also constructed sixty apartments and built a clinic. In August 1990 employees bought the plant for twenty million rubles; 5.7 million was deducted from the purchase price for capital improvements made while leasing, one million was paid in cash and 13.3 million was borrowed from the state bank with an eight-year term and an interest rate of initially 5.5 percent. Since employees bought the plant, the average wage had doubled to 700 rubles in July 1991, while employment had been cut to 610. Sales for 1991 were expected to hit between sixty and seventy million rubles with an after-tax profit of about twelve million rubles.

Stroipolymer had the lowest ratio of shareholders to employees that we encountered: only 290 of 610. To be included, one needed two years seniority and a good evaluation of job performance. Share allocation was then based on seniority and wages; the 290 employees who qualified will receive about 70,000 rubles each in shares. To justify the allocation of shares on which the loan has not yet been repaid, workers sign individual contracts agreeing to pay for their shares by pledging the future dividends from these shares.

Stroipolymer has sought to promote a culture of ownership since employees leased the plant in 1988. This effort has met with some success. Employees interviewed at random seemed knowledgeable. For example, Anatoly Aleshinkov, a manual worker with thirty years of seniority and ninety thousand rubles in shares, explained to us in some detail how the dividends on his shares, which came out of Stroipolymer's profits, were actually paying for his shares. "But," we asked, "has ownership affected your daily job?" "Previously we were on fixed wages," responded Aleshinkov. "Now when we get greater production, we benefit directly. So now we always try to implement good ideas. That often requires buying new equipment," he added.

Stroipolymer has embarked on a two hundred million ruble capital improvement project that will more than double existing production capacity, add additional products, and increase the firm's participation in joint ventures with



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

foreign companies. Two more apartment buildings for Stroipolymer workers are on the drawing board and sixty detached cottages are planned.

In addition to recognizing the need to educate the workers about ownership, Stroipolymer's Makharinov has been focusing on what he calls *psychological privatization:* getting workers to take ownership and responsibility for their work through decentralization and team decision making. His greatest success has been a group of eight employees involved in producing polymer stabilizers who now run their department as a separate subsidiary. They produced eighteen tons of stabilizers the previous year; now they produce eighteen tons a month.

In theory direct employee ownership of enterprises is an ideal solution to the problem of privatization. It can be carried out quickly, provides powerful incentives for workers to increase production and reinvestment, and its labor-based formula for allocating capital fits both ideological and cultural norms.

But will it work in practice? What we saw at Tveris, Stroipolymer, and the four other plants we visited was an impressive demonstration of managerial initiative, improvements in productivity and compensation (in real terms, at least through July 1991), a significant expansion of existing production capacity, and the development of new products, businesses, and joint ventures. Production is up, wages are higher, and employees are beginning to accumulate substantial capital.

Yet even in these innovative enterprises, significant technical and cultural problems remain. The purchase price of the companies we visited was being allocated to currently employed workers as "shares" with a fixed value, more like bonds than shares. (Moreover, in the BUTEC model, the portion of the value of the business not paid for in cash belongs to the employees collectively but not individually.) Thus the individual worker's shares do not appreciate when the business does well, although current dividends can be increased. Nor do prices and the liability to pay off departing owners decline when the business does badly. In the current inflationary environment, of course, the shares will depreciate in real value.

While the enterprises comprising BUTEC were sold at low prices, mass privatization requires establishing a fair market value for the sale of state enterprises, if only to be fair to pensioners, public-sector employees, and those working in sectors where privatization will not occur. That will not be easy. "Residual asset value," the basis for previous purchases, is obviously too low a price. Yet setting a price through an auction-style competitive bidding process, as envisioned in the July 1991 privatization act, is also problematic; it assumes both a pool of buyers and a means to evaluate future earnings potential independent of the historical numbers derived from the irrational pricing system of the command economy.

Perhaps the most intractable immediate problem for employee ownership is the lack of a culture of ownership among Russian workers. When we asked at works council meetings at Tveris and Ordynka (a Moscow-based freight broker with 343 employees), "What proportion of employees understand ownership?" only two of nineteen works council members thought that as many as half the employees understood ownership; the median guess was that only 10 percent understood.

While the example of Stroipolymer suggests that information and education may create a sense of ownership over time, given the current level of understanding of stock ownership among Russian workers, there is a substantial likelihood that individually held employee stock will be resold as soon as the law permits and ownership will rapidly become concentrated. Some Russian economists consider this desirable, and they treat employee ownership as only a transitional phase.

By contrast, the "collective private property" that BUTEC has promoted ties capital ownership to labor input. Although it can be (and is) combined with joint ventures with foreign firms and investors, its underlying premise has been that privatization should spread productive wealth broadly. BUTEC's combination of individual property rights with a collective structure will require some techni-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

cal adjustments to work over the longer term—for instance, it does not make adequate provision for including new employees—but in these technical areas, some aspects of American Employee Stock Ownership Plans (including the trust structure, allocation formulas, vesting and distribution schedules, the company's obligation to repurchase the stock, and the employee's obligation to give the company the first right of refusal to buy the stock) can be adapted to Russian circumstances to keep the ownership of capital decentralized.

So far the efforts to create a market economy in Russia have yielded much pain and few results. Shelves are empty and prices are rising. Existing enterprises are structured as monopolies, which makes any market system—no matter who owns the enterprises—an easy victim of price fixing. For too many Russians the free market has meant no more than the disappearance of goods from the inexpensive state sector and their reappearance at a much higher price in the private market—for the profit of those carrying out the diversion.

The experiments with employee ownership offer some relief in this bleak picture. In the midst of the general Russian economic debacle, the evidence is overwhelming that employee-owned and -leased enterprises have worked on a small scale. Whether they will work on the continental scale now required remains to be seen. □


# Democratic Socialists of America

## Join us!

Members of the Democratic Socialists of America work in immediate struggles for justice -- as we build a movement for long-term social change. We bring to our work a strategy for building alliances among social movements and a vision of a more just and equitable society. Join DSA and become a card-carrying member of the largest and most exciting democratic socialist organization in the U.S.!

❑ Send me more information about DSA.
❑ Enclosed find my dues! (Includes a subscription to *Democratic Left.*):
❑ $50 (sustaining) ❑ $35 (regular) ❑ $15 (low-income, student)

NAME _____
ADDRESS _____
CITY/STATE/ZIP _____

*Make check payable to DSA, 15 Dutch St., #500, NY, NY 10038. (212) 962-0390*




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Ethan A. Nadelmann**

# AMERICA'S DRUG PROBLEM

## A Case for Decriminalization

Legalization of drugs, or decriminalization, means different things to different people. For some it means taking the crime or the money out of the drug business. For others it has become a rallying cry, in much the same way that "repeal prohibition" was sixty years ago—one that brings together people from across the political spectrum, with very different views about what is wrong with our current policy of drug prohibition, and very different notions about what should replace it. Consider the wide range of prominent individuals who have expressed support for legalization. On the one hand are conservatives such as Milton Friedman, George Shultz, William F. Buckley, Gary Becker, and others associated with the Chicago school of law and economics, as well as the editorial boards of the *Economist* and many other conservative newspapers in Europe. On the other hand are Democrats and liberals such as Ira Glasser of the American Civil Liberties Union, as well as a number of leading black politicians—Kurt Schmoke, the mayor of Baltimore; Carrie Saxon Perry, the mayor of Hartford, Connecticut; and state legislative figures from New York, Missouri, Pennsylvania, and elsewhere—even one Congressman who dared to say the word *decriminalization* shortly before he retired—George Crockett of Michigan, a former judge. In this nation, so intensely divided on the issue, it is significant that the few politicians willing to take the brave step of proposing decriminalization have been African Americans. But this alternative is also supported by people in medicine, law, law enforcement, and education; by older people and younger people. The notion has a much broader base of support across America than might be supposed.

Legalization also implies something else. It means evaluating our current drug-prohibition policies in terms of their costs and benefits, and comparing them on this basis with the wide array of what could be called drug-legalization policies. I must stress that these alternatives are best understood not as polar opposites but as a variety of points across a spectrum, with the most prohibitionist policies at one extreme and the most libertarian ones at the other. If we use the word *legalization* in this sense, then we can begin to appreciate which policy leads to the best mix of costs and benefits.

The conclusion I come to is that when such an analysis is done, the best policy looks more like something called legalization or decriminalization than like something called prohibition. The trouble with calling it legalization is that the model itself often looks libertarian, and hence there is a tendency on the part of some to conclude that what is being advocated is a libertarian alternative. The libertarian model is in fact a fascinating one, in that it poses interesting and difficult questions about the vulnerability of a society to a free market in psychoactive drugs, as well as about the basic need for drug control. But it is not, in the end, the policy solution advocated by most of those who support legalization or decriminalization.

Legalization also has a much more moderate meaning—the one that political figures often use. Let me quote Mayor Schmoke. He said, "If we're going to have a war against drugs, it

This essay first appeared in the *Bulletin of the American Academy of Arts and Sciences*, December 1991, and is reprinted here with its kind permission.—EDS.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

shouldn't be headed by the attorney general; it should be headed by the surgeon general." I am largely in agreement with that. This is an area of public policy in need of government intervention, as well as other forms of intervention. The question is, Which forms of intervention should be taken? Look, for instance, at what we are doing to reduce cigarette consumption, and how we could be doing much more. Or look at what other nations have done with their alcohol policies. If only we could turn the notion of a public health approach into a verb, "to public-healthify" drug policy, maybe we would have a more acceptable, if less catchy, label for what many mean by legalization.

Before proceeding with the analysis of costs and benefits, we need to begin by asking a question that is rarely asked: what is the objective of U.S. drug policy? I would argue that the mainstream objective, the government's objective, the objective to which most people will instinctively relate, is that of creating a "drug-free society." That rhetoric has come to dominate the formulation of policy. But what is a drug-free society? In one sense the notion, if you take it literally, is ludicrous. No society in civilized human history has not used psychoactive drugs in one form or another. Some people say there is one possible exception—the Eskimos, because they could not grow anything. Otherwise, every society has used drugs for a variety of reasons: ritual, religious, recreational, and medicinal. When people talk about a drug-free society, they do not really mean a society without psychoactive drug use, because current U.S. policy is not typically aimed at alcohol, tobacco, or caffeine, all of which are psychoactive substances. The objective really seems to be to prohibit the use of restricted psychoactive substances without the authorization of a doctor, irrespective of whether or not that use causes any harm. I would argue that this is the wrong objective—one that is ludicrous, ahistorical, misguided, and even dangerous.

U.S. drug policy should have two objectives. First, it should aim to reduce the extent of drug abuse in American society. Note that I did not specify illegal drug abuse, because I think we need to be concerned as well about legal drug abuse involving alcohol and tobacco. These drugs kill far more people than illegal drugs do, and this has more to do with the nature of these products than with the fact that they are legal. Note also that I said abuse, not use. As far as I am concerned, the use of psychoactive substances per se is not a problem. The second objective is equally important: we need to minimize the negative consequences of drug-control policies.

The only way to explain the divergence between the government's policy objectives and those I propose is by reference to fundamentally different moral notions about drug use and drug policy.

What are the moral notions underlying the ideal of a drug-free society and the drug-prohibition model? One notion is that drug use—better still, the use of prohibited drugs—is immoral. Another is that addiction itself is fundamentally immoral. These are key assumptions underlying the current U.S. drug policy, and I do not agree with them. Now, I am not arguing that addiction is good, but I am suggesting that addiction is an inevitable fact of life—one that well describes how many human beings relate not just to illicit drugs or alcohol and tobacco but also to coffee, food, work, exercise, money, and one another. To call it immoral because it happens to be associated with certain substances is wrong.

What moral assumptions do I make? When you analyze the costs and benefits of our current drug policy and consider which mix of costs and benefits represents the optimal policy, you cannot get away from some very basic value claims. One has to do with the notion that individuals, or at least adults, ought to be able to make their own choices—even stupid choices. The private sovereignty of individuals ought to be respected, not just for utilitarian reasons but for its own sake. I take it that this value is, in and of itself, a moral good. It is not an absolute good; it is not something to which all policy must defer. But when you add up the costs and benefits of competing policies, this value needs to be considered.

Reducing criminal-justice controls, which is what legalization and decriminalization are all



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

about, requires us to rely on other forms of control. It means moving along the continuum of policy options, away from the more severe drug-prohibition policies we now follow—but it does not mean going to the opposite extreme. We need to deemphasize the reliance on criminal-justice approaches while trying to change the conditions that lead people to abuse drugs. We need to shift resources away from prohibition efforts and toward other programs, including some that are directed not specifically at drug abuse but rather at the conditions that spawn drug abuse.

We know that removing criminal-justice controls—that is, implementing a policy of legalization—will mean three things: the price of drugs will go down, the availability of drugs will go up, and the deterrent power of criminal sanctions will be diminished. All three of these results suggest negative developments in terms of drug use and abuse. However, for a number of reasons, I would argue that legalization is advisable, that it can be implemented in a controlled fashion, and that we need to consider taking these risks, none of which are as great as many people fear.

In terms of a criminal-justice approach to the drug problem, everything we have done in the past, are doing now, and are talking about doing in the future is inherently limited in its effectiveness against the fundamental problem of drug abuse. This is especially true in a country like the United States, which has certain legal and other societal values and principles that keep us from going to extremes in law enforcement. That is the first reason for trying legalization, but it is the least important.

More important is the fact that most of what people identify as components of the drug problem are actually the results of drug-prohibition policies. Most people tend not to recognize this causal relationship. We tend to talk about the drug problem as one great big hodgepodge of drug-related problems without distinguishing between those associated with the misuse of drugs and those that stem from prohibition. By contrast, Americans sixty years ago were highly cognizant of this distinction. They knew that the irresponsible consumption of alcohol was to blame for a host of society's ills—which was why they had imposed prohibition in the first place. But then they began to distinguish these from other problems: organized crime; rising levels of violence and corruption in urban areas; tens of millions of people being labeled criminals for their involvement in the business of alcohol; police being killed; bootleggers becoming role models for children and taking over towns and cities; and tens, if not hundreds, of thousands of people being blinded, poisoned, and killed by bad bootleg liquor. Alcohol was more dangerous than ever, precisely because it was illegally produced and unregulated. At some point Americans, for a great variety of reasons, said enough is enough and turned away from prohibition. The analogy with today's drug problem is totally apropos. We need to make the distinction between problems of drug abuse and those that result from drug prohibition.

First, however, it is necessary to identify the five principal components of America's prohibition policy and to assess their potential for solving our drug-related problems. These components are (1) international drug control (that is, the suppression of drug production overseas); (2) interdiction efforts; (3) domestic drug enforcement directed at major drug dealers; (4) domestic drug enforcement directed at street-level dealers; and (5) drug testing.

*International control efforts*. The drugs in question are grown virtually everywhere. Opiates and marijuana can be grown almost anywhere in the world, and coca can be grown in a far broader area of Latin America and other parts of the world than is currently the case. As a result, we have what is called the push-down/pop-up effect. We pushed down on heroin coming out of Turkey in the early seventies, and it popped up in Mexico. We pushed down on it in Mexico, and it popped up in Southeast Asia. We pushed down on it there, and it popped up in Southwest Asia. We've pushed down in so many places that it's popped up everywhere. The United States is now a multiple-source heroin-importing country. If there is demand, there will be supply.

These drugs are so cheap that even when we do all sorts of things overseas to raise the cost of production, we have no impact on consumer prices in the United States. This is because the export price of drugs from Latin America and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Asia is only a small fraction (1, 3, or 4 percent) of the final street price in the United States.

The drug-exporting business brings in good money overseas—billions of dollars each year—much of which trickles down to hundreds of thousands of peasants and other poor people. Not entirely in jest, somebody once said that the current American drug policy, with its combination of prohibition and ineffectual enforcement measures, is probably the best means ever devised for exporting the capitalistic ethic to potentially revolutionary third-world producers. One negative consequence of legalization might be that production would largely be controlled by big producers, as opposed to being a business for hundreds of thousands of small producers.

And of course, not everyone shares the same moral perspective on the drug traffic. U.S. officials go to these producers overseas and say, "Don't you see what you are doing? You are producing these drugs that are killing Americans. Don't you see how immoral this is?" And what the producers say is, "Let me tell you what my moral obligation is. My moral obligation is not to keep some stupid gringo from shoving white powder up his nose or sticking a needle into his arm. My moral obligation is to do the best I can for myself, my family, and my community. If it means growing these products, then so be it. That is what I am going to do. And meanwhile, you North Americans, who are you to speak of moral obligations, when your special trade representatives fly around Asia and the Third World, pushing down barriers to your tobacco exports?" When all is said and done, the whole notion of international control has no effectiveness as a drug-control device, no matter how much the politicians may insist otherwise.

*Interdiction.* The use of the military, the Air Force, the Coast Guard, the Navy, Customs, AWACS (the Air Force's airborne warning and control system), satellites, and radar satellite balloons to try to keep drugs from coming into the United States is not working. Trying to catch the six to ten tons of heroin and the hundred or two hundred tons of cocaine coming into this country during each of the last few years makes looking for a needle in a haystack seem like child's play. If there were a market for a hundred tons of heroin in the United States instead of six to ten tons, a hundred tons would come in. Interdiction efforts cannot keep that from happening.

Having said this, let me acknowledge that interdiction has worked to some extent with respect to marijuana. We have reduced the amount of foreign marijuana coming into the United States. And what has happened? One consequence is that marijuana trafficking has been replaced by cocaine trafficking. Marijuana is bulky; cocaine is compact. Another consequence of our interdiction efforts vis-à-vis marijuana is that the United States has now emerged as perhaps the number-one producer of marijuana in the world.

*Domestic law enforcement.* Can efforts at apprehending major drug dealers make a difference? As long as the laws are what they are, we should invest our law-enforcement resources in going after the most egregious violators of the drug laws. When we seize their assets, we should use them to help pay for drug-abuse prevention programs. But can this effort make any difference in the availability of drugs or in the fundamental drug-abuse problems we have in this country? The answer is no. Because every time you arrest number one, number two is going to step into his shoes, and every time you get number two, number three is going to step into his shoes. Ask any law enforcement officer. I personally think that the Colombian government should be extraditing those miserable human beings who are shipping drugs and killing people. But will it make any difference? Once again, no. In fact, in the case of Colombia, if you buy the cartel theory of cocaine exports (that is, that a small number of people control the supply to the United States), and if you arrest the heads of the cartel, you will have even more cocaine coming into the United States because there would be no controls. So arresting high-level drug traffickers is not the answer.

What about going after street-level drug dealers and users? That was big in the sixties and has now become big again in the late eighties and early nineties. Consider the intensive law-enforcement operations such as Pressure Point and Clean Sweep. We are arresting thousands and thousands of drug users



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

and dealers, running them through the criminal justice system, increasingly incarcerating them, and keeping them in prison for longer periods of time. Some evidence suggests that this may work in certain small neighborhoods, but can it make a difference in large cities? The answer is no, because of the same phenomenon you have internationally—the push-down/pop-up effect. You push down on drug dealing in Washington Square in New York City, it pops up in the alphabet streets. In Washington, D.C., you push down on dealing at one street corner, and it pops up on another. Some users, they say, will not go the extra blocks to get drugs, but most do. So street-level law enforcement is not making the drugs less accessible. Rather, it is opening up vast job opportunities for new generations of young people, often young black and Latino men in the inner cities. Some of them are individuals who might not otherwise have pursued lives of crime but who unfortunately have few other economic opportunities.

*Drug testing.* Evidence suggests that drug testing could be the wave of the future. More and more companies are doing it. The government is pushing it. There are judges who say it is constitutional. Presumably, there are limits as to how far this effort can be pursued. But to some extent it does seem to be working. My guess is that if I were to tell my Princeton students that they could not graduate unless they passed a periodic urine test, most of the very few who use illicit drugs would stop.

In ten years or so a nearly perfect drug-testing system may be technologically feasible. Would this go very far toward eliminating drug abuse in the United States? I think the answer is yes. Do I think we should do drug testing? The answer is no. Why? I come back to the issue of values and to the question of how far government and employers should go in policing the lives of citizens and employees. Where do we draw the line on the slippery slope of drug testing? We begin, presumably, with illicit drugs, but it can be shown that higher rates of absenteeism are associated with cigarette smoking. Why not test for cigarettes, and then alcohol, because alcohol is dangerous too? Indeed, if the ultimate objective is to enhance the productivity of Americans in the workplace or, better still, to maximize the length of time that they live, then there is no sensible point at which to stop such testing. It all becomes oriented toward more and more powerful forms of social control, justified by very simple, and seemingly defensible, objectives. I do not think we should be sliding down this slippery slope—but for moral reasons, not strictly on grounds of public policy.

My analysis of the current criminal-justice approach to the drug problem in this country is that some of these efforts work to some extent. They deter some people, keep the price of drugs high, and keep availability relatively low. But as law-enforcement authorities are the first to admit, this approach is not the only answer. Where I differ from those authorities is in insisting that we should rely less on the criminal-justice approach and much more on education, prevention, and treatment.

Now let's consider the direct and indirect costs of drug prohibition in the United States. Some of these costs can be calculated in tax dollars. The federal government spent $1 billion on drug enforcement in 1980 and about $8 billion in 1990. State and local governments spent between $3 and $4 billion in 1980; they may now be spending $10 billion. Nobody knows for sure.

Where the costs, measured in dollars and scarce resources, are most apparent is in such areas as the court system and prison operations. Prisons are a very easy place to get a handle on the issue because we have solid figures. Last year the United States had over one million people behind bars in federal and state prisons and local jails, and another two-and-a-half million under other forms of criminal-justice supervision. That figure is double what it was ten years ago, almost triple what it was fifteen years ago. It is the highest percentage of the American population to be incarcerated in American history. It is the highest percentage of the population of any democratic nation to be incarcerated in human history. And it is not cheap. Prison cells cost anywhere from $12,000 to $52,000 per person, per year. In many states, building and maintaining prisons is the fastest-growing item in the budget. A large portion of this has to do with drug-law



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

violations. In virtually every major state in the country, over 20 percent of the people sentenced to prison last year had violated drug laws. In Florida in 1980, 785 people were sentenced for violating drug laws; in 1989 the number was 15,000. The figures in California were 1,063 in 1980 and 10,445 in 1988. In New York the figures are much the same. That is a ten-fold, in some cases fifteen-fold, increase in the number of people sent to prison for violating drug laws. These violators now represent between 30 and 45 percent of all the people being sent to prisons in the major states. They represent well over 50 percent of the federal prison population. Yet studies uniformly show that those incarcerated for drug-law violations are less likely than other inmates to have a prior history of violating the law and are less likely to be involved in violent behavior. These people may not be model citizens, but should we send them to prison?

Among the indirect costs of prohibition are the tremendous benefits derived by organized crime. The President's Commission on Organized Crime estimated that half of all organized crime revenue comes from drug dealing. Why? Because drug prohibition is the greatest boondoggle that organized crime has ever seen—far better than alcohol prohibition. Drug prohibition in effect imposes a de facto value-added tax on the sale of drugs, enforced by the government and collected by the criminals. Take it away and organized crime may get into other kinds of activity, but nothing will replace this source of revenue.

Now let's consider the five connections between drugs and crime. First, on billions of occasions each year, people buy, sell, and consume drugs in violation of the law. This drug-crime connection is the essence of drug prohibition, and it is responsible for other connections between drugs and crime. Second, criminals and drug abuse tend to go together. In many respects it is impossible to point out the causal relationship, but in most societies, historically, there have been higher levels of drug abuse among criminals than among noncriminals. Third, we have the problem of drug addiction "causing" crimes such as robbery, theft, and burglary. Two or three years ago the surgeon general of the United States pointed out that nicotine was as addictive as, if not more addictive than, cocaine or heroin. How many of you have ever worried about being mugged by a nicotine addict? Very few, I would guess. Why? Because cigarettes are cheap—too cheap, as far as I'm concerned. We could raise the price considerably without having to worry about nicotine-related crime. Both cigarettes and alcohol are addictive, but people can maintain those habits for only a few dollars a day. Heroin and cocaine habits cost fifty to two hundred dollars a day. Why? Do heroin and cocaine cost any more to produce than alcohol or cigarettes? No. But prohibition inflates their prices dramatically. Even if these drugs were legalized and heavily taxed, prices would be lower than they are now, and the need for addicts to steal to support their habits would be much reduced.

Fourth, there is the notion that drugs make people violent. Paul Goldstein did a study of drug-related homicides in New York. He tried to determine what the relationship was between drug use and violence, and found that only a small percentage of homicides, under 10 percent, could be called psychopharmacologically related. Most of the homicides resulted from the fifth connection between drugs and crime—what he called the "systemic" sources of drug-related violence. Most drug-related killings—whether they involve drug dealers killing one another or killing cops or killing innocent people or killing witnesses or killing children in crossfire—are associated with drug prohibition. In Colombia this drug-crime connection virtually defines the drug problem. Why? One reason is that people tempted into drug dealing often are violently inclined. Another reason is that drug dealers need to protect their turf and resolve disputes, and they do so with violence. If we were to criminalize alcohol again, we would have the same alcohol-associated violence we had during prohibition. If we were to criminalize cigarettes we would surely have immense violence. In fact, the criminalization of drugs is the chief source of drug-related violence, and it breeds all sorts of other problems.

In the inner city, drug dealers—not teachers, lawyers, or politicians—are often the role models for kids. The drug dealers have the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

money, the lovers, the nice cars. At the same time, the drug-prohibition system creates strong incentives for kids to get involved in drug dealing. When New York and other states imposed draconian penalties for selling crack a few years ago, they might just as well have called them measures for improving child employment in the illegal drug trade. Why? Because toughening penalties for adults inevitably pulls children into the business.

The foregoing are the costs that are conventionally associated with drug prohibition. But there is another, quite severe one: drugs are more dangerous when they are illegal. Heroin won't kill you. You might get addicted to it, but you can live a long life as a heroin addict. It doesn't destroy the internal organs. It doesn't do what cocaine does to your body or what alcohol does to your liver or what cigarettes do to your lungs. So why do people "overdose" on illegal drugs? The simple reason is that illegal drugs are often adulterated, impure, and of unknown potency. Someone who thinks he is getting 4 percent heroin may actually be getting 40 percent. Or people buy what they think is heroin but is actually a more potent synthetic opiate. Imagine buying wine without knowing whether it is 8 percent alcohol or 80 percent alcohol or whether it is methyl or ethyl alcohol. Imagine taking an aspirin without knowing whether you are taking a dose of 5 milligrams or 500 milligrams. Life would be a little more dangerous. Fewer people would drink wine or take aspirin, but more of those who did would get sick or die.

What of needle-exchange programs, which are being implemented in Europe, Australia, Canada, and the United States? Basically, they involve setting up places where addicts can exchange their dirty needles for clean ones. While there, addicts may be given information about treatment or about how to use needles safely. We need to ask two basic questions about needle-exchange programs. The first is, Do these programs encourage more people to become intravenous drug users? So far the evidence indicates that the answer is no. The second is, Do these programs work? That is, do they help reduce the transmission of AIDS? Do they help lure people into treatment? The answer seems to be yes. Most addicts who participate in these programs change their injecting habits and reduce or stop their needle-sharing. Ready access to clean needles does make a positive difference. In Europe, accepting as a given that people will use and abuse drugs and trying to reduce the negative consequences is associated with something called the harm-reduction philosophy. In America, we hear a tremendous outcry that needle-exchange programs are wrong and immoral, and that they condone drug abuse. But it seems to me that the only message that the opponents of these programs are sending is, "If you're an intravenous drug user and you can't stop, then die—and before you die, put whoever you have sex with or share needles with at risk of AIDS." Even prominent public officials have equated AIDS with drug addiction—forgetting that one is deadly and that the other, in most cases, is not.

In our country today we increasingly see an alliance between the people (largely public health officials) who are trying to introduce needle-exchange programs and what is probably the most politically powerless and disorganized constituency in America—the roughly one million intravenous drug users in the nation. On the other side of the issue we find an alliance that is somewhat more bizarre—that between those indifferent, sometimes callous, white middle-class people who say, "Let the drug users kill themselves," and certain members of the nation's black political leadership, who maintain that the operation of needle-exchange programs is the equivalent of genocide. As I see it, when Mayor Dinkins of New York City took office and obliged prominent black leaders in his city by canceling rather than expanding needle-exchange programs, he effectively signed a death warrant for thousands of people.

This leads me to what may be perhaps the most fundamental argument against drug prohibition. It is a moral one. First, the point has to be made that it is impossible to make any sort of legitimate, intellectually honest distinction between the morality of alcohol and tobacco use on the one hand and the morality or immorality of cocaine and opiate use on the other. What may be the morality of today was not the morality of the past. Go back in U.S.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

history to the turn of the century and slightly before, and alcohol was illegal in hundreds of towns and cities and a number of states—we were on the way toward a national prohibition of alcohol. Cigarettes were prohibited in a dozen states. Marijuana, however, was legal. Cocaine was legal. The opiates—opium, morphine, heroin—were legal, except for use by Chinese people in California. The drug-related morality of today and of the last few decades is just that—the drug-related morality of *today*. It is not the morality of the past, and it need not be the morality of the future.

Consider, as well, how drug laws are enforced. Prohibition makes drug dealing essentially a crime of vice. There is generally no victim who reports the crime to the authorities. Therefore you need very interventionist, intrusive measures to control it, such as wire-tapping, informants, and undercover operations. All these tactics are necessary, even in a democratic society, for dealing with organized crime, corruption, terrorism, and the like—but the use of these tactics should be kept to a minimum. Nonetheless, the majority of court-authorized wiretaps in this country involve investigations of drug-law violations. The same is true of the recruitment of informants, and not just from the criminal milieu but from all walks of life. Increasingly we hear of children turning their parents in to the police, and vice versa—precisely the sort of behavior we have traditionally associated with the totalitarian states that we now see crumbling around the world. Beneath this whole issue, moreover, is a key principle that we cannot avoid dealing with. It is a principle we do not talk about much in American discourse, especially political discourse. Still, it is one that I think rings true for the civil libertarians of Stanford and the northeast as well as for the "rednecks" of South Texas. It is the notion that people who do no harm to others should not be harmed by others—and especially should not be harmed by the state. The fact remains that when you look at the seventy million Americans who have violated the drug laws in the last twenty years or so and the millions of Americans who continue to do so, the vast majority of them are doing no harm to anybody else. In most cases they are not even doing much harm to themselves. So from my point of view, saying to those people, "Because you use these forbidden substances, you lose your job, your driver's license, your money, your freedom," strikes me as a far greater immorality than any immorality associated with the use of these drugs.

Once again, this is strictly a moral argument, not a "value-free" public-policy argument. My position is that if people use these drugs and do not hurt others, it is no business of the state. If they become addicted to these drugs, then they deserve help—not just from their families but also from the state—and should not be first placed in prison. And if they use these drugs and hurt others, whether they are under the influence of these substances at the time or not, they deserve to be punished. People who directly hurt others should not be giving up their jail cells to people who engage in crimes of vice.

If the present drug-prohibition policy is a failure, what should be put in its place? I think we can, to a certain degree, move away from the prohibition side of the continuum and incur minimal risk. Education, drug-abuse prevention programs, needle-exchange programs, drug-maintenance programs of the type one sees in England and the Netherlands—these things do make a positive difference. We could have them all in this country. Lower-potency drugs could be legalized, as they were in the United States a hundred years ago, when we had not just cocaine powder but also coca colas and coca teas and coca tonics. Conditions then were much healthier than they are today in this respect. We could legalize or decriminalize individual possession of all drugs. We do not need the mandatory minimum sentences that are sending people, sometimes first offenders, to prison for extensive periods of time.

Ask what ought to be our drug policy, without any ideological or moral obligation to the notion of legalization, if our basic objective is to reduce death, suffering, and pain. My argument is that it will be a lot closer to the legalization model than to the prohibition model. It will be a policy that relies much more on the public health system than it does on the criminal justice system. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Deborah Meier**

# SCHOOL DAYS: A JOURNAL

## Teaching, Thinking, Struggling, Coping

*Deborah Meier is the director of the Central Park East Secondary school (CPESS), a public high school in New York City's East Harlem. The school starts in seventh grade and had its first graduating class in June 1991. CPESS serves a predominantly low-income African American and Latino population. What follows is a selection from a longer journal of life at CPESS. Changes in dates, names, and sequence of events have been made to maintain the privacy of students, their families, and the school's staff.*—EDS.

**September 14.** The children are especially studious the first week. It's even true of us teachers. We look more professional in September. We imagine every fall that this time we're going to get it right. We start off with fresh notebooks divided into well-organized sections. Of course, it's not a perfect beginning. We're starting with four fewer staff positions (out of thirty-five) because of budget cuts. Will it matter? We cut back on support staff, so we're bound to have gripes. But maybe it's like closets—the more you have the more you put into them. On the other hand, for the first time it's an experienced CPESS-style staff. Also, we calculated our cuts early, relied on attrition (and support from foundations), and didn't let anyone go, no matter how low their seniority. We gambled that given city-wide attrition there wouldn't be a massive bumping game. We were right. When budgets are set is often as critical as how much. (Within limits!)

In our sister elementary school there's a crisis a day. First music, then art is threatened. Finally the staff agreed to add three to four kids per class. It means twenty-eight vs. twenty-five in kindergarten, thirty-three vs. twenty-nine in the upper grades. In a month they'll be feeling it.

**October 5.** Is it worth it? My co-director Paul and I sit from 8:05 to 8:40 A.M. scolding latecomers! We keep believing it's curable if we're tough enough! But it's hard to be tough if there's no "bottom line." I can't figure out a bottom line. We have the latecomers sign in; we send their advisers daily notes; we have detentions. Tardiness goes down for a time. Isn't this an odd way for me to spend my time? I suppose there are other useful side-effects to my being downstairs daily saying hello.

**October 10.** It's nice to see kids hanging out in classrooms—working on computers, writing papers, playing quiet games when classes aren't in session. But it's not legal. I look the other way. Then it gets out of hand and I lay down the law. That works for a while. Then . . . it's an endless cycle. Students ought to be able to hang out anywhere and not get herded into the gym, lunchroom, or even the library. But I worry about potential "incidents" and being asked "How come you. . . ." Oh, for a less litigious society! (Paul tells me our Saturday morning school really feels the best—serious, thoughtful, mildly playful, and completely voluntary.)

**October 26.** Lutsky, the school's "manager" of everything, found five vials of crack hidden beside the rear door exit of the school. The police were called. They believe this is a "stash," unrelated to our students. Naturally we can't be sure. The police say it's a handy place since the door is used only in fire drills. We so rarely suspect our students of being "involved" with drugs that I wonder if we're



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

naive. We have virtually no "drug prevention program"—but then that's a pedagogical decision. A good education and knowing each other well is what the kids need. As we talk I can see drug deals being made out of my office window.

**November 1,** Friday, 6 P.M.—in the country. I've been thinking about the argument we had at the staff humanities meeting. Madeline began by showing us a series of drafts of an essay that a student worked on with her. To what extent had the student made changes just to "please"? How could one tell if the student learned from it? How did she decide what to edit? Was the edited version always better? What standards was the student basing his judgments on? But . . . it shifted into a larger "ideological" debate about teaching and learning, what kids don't know how to do and—implicitly?—who's at fault. I didn't help matters. I got off into my distaste for the kinds of reports we encourage (or at least don't discourage), as though writing dull, pointless lists about a country, people, topic (generally plagiarized from encyclopedias) is a "developmental stage" in children's writing. It was easy to make the shift because we're more comfortable talking in generalities rather than engaging in close observation of one child's work. We get restless. By the end everybody felt more inadequate than when we started! Hardly a helpful session, although lots of important things got said.

**November 2,** Saturday. I'm staring at loads of Board of Ed memos and forms; why did I bother to argue with that amiable man at the Board of Ed when actually I know it doesn't matter how I fill them in—so long as he has numbers. All this compulsive collection of data—the more the better even if it's misleading and largely self-serving. Found a wonderful statement by some deep educational thinker in *Ed Week* responding to the criticism that all the international comparisons of student outcomes are deeply flawed: it went something like, "They may each be flawed, but taken together they add up."

Why did I imagine that the reform "movement" would take seriously the arduous task of school-by-school change that involves taking practitioners seriously? Instead we still use a factory model. The latest official strategy is Bush's New American Schools Development Corporation (NASDC). "Expert design teams" will create privately financed models, hand them over to practitioners to implement, and replicate, with centralized specs (national curriculum goals) and close monitoring (via exams) to keep the practitioners honest. In a period in which reform is fueled not by parents or teachers but by corporate and statehouse priorities, it's hard to imagine anything else.

The rhetoric of educational "crisis" has a dangerous side. It's built on a familiar but false story: that bad schools caused our economic woes, and good ones can cure them. Smart school people go along because they figure that it's a story that offers needed attention. But it can easily lead to rhetorical cures. Or worse. We're getting conned into some really radical changes we weren't expecting, for example, a combination of centrally driven testing and marketplace incentives (read "privatization"). The widespread perception that schools have failed to accomplish even the simplest tasks they once performed lends credence to the conclusion that once again public institutions have failed us. We're likely to abandon the dream of public education and local control in a panic (plus lethargy) based on phony data and bad analysis. The way we have allowed the story to be told has created a seemingly inevitable conclusion.

The real shortcomings have always been there. In booms and busts. What's new is that there no longer seems to be an assumption that we can afford to intervene with resources, or that there are real jobs out there for the real kids in our schools. They've been doomed. It's a fine idea to demand vastly improved educational standards, but what happens in the meantime?

The current crop of right-wing school reformers is reminiscent of some of the sixties New Left ones. Their critiques are alas more trenchant than their cures. They both want to leap over the present. The present generation be damned. They both have a vanguardist approach to change—the expert-driven revolution that's good for the ignorant masses (teachers, parents, kids). They're always in a



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

hurry—looking for shortcuts that avoid the ornery nature of us humans! They build their plans on the assumption that we can wipe out patterns of thought and habits of practice that are deeply imbedded.

The kind of reform we're after requires hopefulness, mutual respect, faith in democratic institutions, a certain tolerance for messiness, uncertainty—even ambiguity. Patience. Not patience because one is tolerant of injustice or ineptness—but patience because human beings don't change easily. And we pay a huge price when we forget that.

I silently scream every time I read about "international competition" as a reason to care about our children. As though our children only count if they help us beat somebody else's children—like the Japanese.

**November 13.** As I was leaving school this evening after family conferences I passed two parents in the stairwell. I said something pleasant; they barely answered. They were muttering; their son was walking apart. Uh-oh, I thought. Trouble. I found the adviser. Derek is new. Tenth grade. His parents are mad because his adviser—Howie—referred to Derek's bullying behavior but hadn't called them about it earlier. His father made clear he found both Derek and Howie at fault. (Howie thinks the father treated him as the more serious offender.) He left Howie with a demand for instant feedback on Derek's future behavior. (Derek was a silent observer.) Of course Howie is now even more reluctant to call the family if problems arise. It's a trap. But how to get out?

**November 15.** I visited George's math class all morning. Lydia, age thirteen, was dispiritedly trying to complete her assignment: map your "dream house" on a sheet of 8″ × 11″ graph paper. I asked her what her scale was. Each little square is one foot. (Does she know the difference between feet and square feet?) That meant her bedrooms were 5 × 7 feet. We found a room that size. A large closet. Despair. The dilemma: her dream was a house big enough for her parents, two brothers, sister, herself and all their families-to-be. But no one could exceed 2,000 square feet. It's not possible, she said. I presented George with the problem; he recommended downsizing her dream. But then it's not my dream house, said Lydia. The constraints, George insisted, are important to get kids tackling the mathematical issues. He's right. Back to the drawing board. She showed me her first drawing, which was put together with four pieces of 8″ × 11″ graph pages. Her bedrooms were fine sizes. "But George said I had to put it all on one page," she lamented. Thus the cramped little rooms.

The project was all about scale, but alas, Lydia didn't get it. I showed her why the size of the paper didn't matter. Delight. The bedrooms instantly became 10′ by 14′. To accommodate five families we decided on a dorm for all the children! However, I know by now that this breakthrough "aha" experience is only one more stage in a long journey before she "gets" the idea of scale. George was sure he had explained it. Wasn't she listening? I suspect he's a little annoyed at me for having caught one of his students in ignorance. He doesn't yet really accept that "telling" isn't teaching. Who does? We keep feeling sure that if we could but "tell it right." (The noble fantasy that fuels every curriculum reform.)

**November 18.** Last month we (the staff) wasted hours trying to decide on an approach to school life if the threatened custodial strike was called. This month we're trying to decide what to do if the Board wins its revenge on the UFT [United Federation of Teachers]. The Board's demand that teachers attend school for two extra days of "staff development" is now in arbitration. At stake: whether in a break with established practice teachers will be required to come to school the day after Thanksgiving and the first Monday of the Christmas holiday! As we await the arbitrator's decision, rumors fly: if teachers don't show up they'll be docked two days pay. Our issue: should we try to find a face-saving way to slip by this or make a point of refusing? Since the chancellor is not the bad guy in this story, why give him a hard time? Our high visibility (and extensive extra staff development) tempts us to take a visible stand. The degree of rage it raises in me is unreasonable. In a year in which the Board is unable to offer teachers anything (class sizes are larger, salaries frozen, and kids are coming to school more damaged than usual) our



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"employers" have decided to pick a phony fight. God help us.

**November 25.** Rose, who works in the elementary school, says she saw Antonio buying or selling drugs last weekend. She isn't willing to be quoted on it. I understand although I suspect I could push her into it. Paul and I talk it over and decide to ask the adviser to call the family in. We'll tell them—with Antonio present—"We think it's true, but can't do anything about it whether it is or isn't so felt we just needed to pass the rumor on to you." They may get mad and defensive and accuse us (since the kid is sure to deny it). Or they could be grateful and acknowledge that they've been worrying. Or something in between.

**November 26.** We met with Antonio's family. He denied using or selling drugs, of course. But his mother trusted our story. These are the moments when the years of patient alliance between school and family pay off. We can help.

**November 27.** The arbitrator ruled 100 percent in the UFT's favor. No extra days. Sweet victory. But what a lot of wasted time.

**November 28.** The heat in the gym is still not working. Do we have to cancel gym classes? After school sports? It's a month since we reported it. The custodian is trying. But, no action. Do I try to use "influence"? If I fail? If we had to close the gym, it would be a disaster. Fortunately we've not yet had really cold weather. Half of the staff-development and teacher-planning time rests on the use of the gym! Not to mention early morning, lunch time, and after-school uses. What would we do for the rest of the lunch break??? I can't stand to think about it. I put it out of mind.

**December 3.** Came back from Carmela's funeral. The school's steady attention to Carmela and her family as she lay dying for nearly a year can't happen in a school five times our size. Yet death surrounds our kids. If death doesn't count, does life?

Friends in other schools claim they can see the despair; or is it the symptoms they see: violence, death, pregnancy, drugs. We see less of these—because we're smaller? more supportive?—and when we do, we think we can act, "do" something. Does that make our kids seem more "normal"—joyous, giggly, flirtatious, friendly? Have we created enough of an internal culture to sustain hopefulness at least between nine and three? Is it mostly being small and intimate enough to pay attention? It's not that we've figured out how to make all our subjects interesting or relevant or our assessment authentic. Although we try. But the place itself is interesting and authentic. I used to say that I learned most of what I knew as a kid in the company of people who were talking "over my head." I think that's how human beings naturally learn. Maybe the kids learn more here accidentally than on purpose. There are so many conversations going on.

**December 12.** I shoo Felicida out of the bathroom where she and a friend are fixing their hair—five minutes after class has started. I next see her banging on a door that says PLEASE USE OTHER DOOR. THIS IS NOT AN ENTRANCE. I point to the sign and to the proper entrance. I next see her banging on *that* door. I go over and quietly open the door (it's not locked). She enters loudly. The teacher gives us an angry "Why are you interrupting this class?" look. I realize Felicida doesn't belong in this room but has come in to collect her coat and bookbag! I tell her in a whisper to come across to the office to talk with me. She gets nasty, belligerent, and tries out all her "attitudes" on me. Why doesn't she seem scared? I go from calm old lady to furious defied authority. I leave her to recapture my composure. I bring back all her records and we peruse them together. Her physical posture shifts. She allows a smile. She meets my eye. She accepts my role as giver of lessons. The chip on her shoulder shifts. It has taken more than an hour of my day. But we're both happy. I think it's a breakthrough. Still, we'll see.

**December 14.** I just read the kids' journals in my advisory. I asked them to write down our five "habits of mind"—which are listed on every classroom wall, discussed every week in our newsletter, used to organize curriculum, and are the basis for our "standards" for graduation. (How do you know what you know? What's your evidence? Are there alternative viewpoints? How and where does what you've learned "fit in"? Could things



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

have been otherwise? Who cares, what difference does it make?) Only two kids out of ten remember any of them. I'm aghast. I start thinking we should have kids memorize them—although we ourselves never word them exactly the same way twice.

When we're trying to influence people's politics we recognize how difficult it is to dislodge a well-entrenched paradigm, a sustaining myth, an organizing principle. But when we "teach" we have to keep reminding ourselves that students are doing the same thing. They're screening out key points based on assumptions that we're not aware they hold; they're fitting new knowledge into old schema where it isn't appropriate. Researchers have demonstrated this over and over. But our paradigm of teaching and learning is so well lodged that we don't hear the evidence! "Teaching is telling, learning is remembering." If we could just say it better, the kids would finally "get it." We focus on telling, not on listening.

Of course, the more engaged they are, the less passive their relationship to schooling, the better our chances. The more they make us listen. It's not enough to "want to do well." There's got to be a willingness to take risks. How rare is it for a student to say thoughtfully, "I just don't get it." And persist. Most kids are not lazy or unmotivated. But they don't know how, for example, to put in ten hours of homework. Most of the kids do homework like I did piano practice. One eye on the clock practicing bad habits. Good "habits of mind" are not easy to catch on to.

**December 16.** One of the teachers showed me a letter from Cheneta, who graduated last year. She's now at Cornell. Says Cheneta, "Those five CPESS 'habits of mind' are proving very useful here." They "set us aside as special," said another student in a letter I got last week. People are "impressed," one kid quipped with a grin when he visited. (He's admitting he's bought in a little?)

Mike Rose, in *Lives on the Boundary,* walks the reader through his own initiation into the world of ideas. His apprenticeship. That's what a good school is: an apprenticeship into ideas. Learning to say, "I've got a theory!" Somehow, somewhere young people need to join, if only part-time, the club we belong to. That's *more* critical than the particulars of what they learn. But most of the time they are resisting membership—either out of fear of rejection or because to join such a club means to reject their own community or peer clubs. Or because they just don't "get it" yet, or "who wants it!"

It goes against the grain to see this as our job. It's why we are so hypercritical. It's not what we're "spozed" to be doing. We feel we have to justify the time spent listening to and observing kids or engaging them in endless conversation or asking them to "write it again" and again. Shouldn't we be covering more! Won't they seem illiterate if we don't get to? Shouldn't we be pouring more in, instead of spending so much time stirring up what's already there! We drive each other mad spotting gaps—this kid doesn't use commas right, that one can't even remember the date of the Civil War! What kind of school are we?

**January 9.** Jose has, as usual, come to school hours late. I threaten. I call home. I remind him that it's our job to "teach" but his job (and his family's) to get to school. (Actually it's a poor way to pose it, since it sounds as though I mean that once he gets here we do all the work! Once again the language of schooling is based on a notion of teaching and learning that's all wrong!)

But he still comes in late. He's daring me to kick him out. What would be the point of it? Even if I could! (I can't.)

The "free schoolers" insist that as long as it's mandatory it won't work. There's a sense in which they're right. There's nothing unworkable or undemocratic about having mandated obligations to others. But if one doesn't "buy into them," they will not be done well.

So, Jose, his adviser and I agree on a new plan that includes new penalties. Will we be conscientious enough to follow through or will he wear us out? We need to attend to the other side too. Is his failure to engage related to not knowing *how* to succeed in our school or because he has other more critical priorities in his life? Is our involvement with his family a mistake? As long as he sees family and school as together, does this mean he can't use school



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as an oasis from his family whom he is trying to distance himself from?

Tomorrow I meet with Yolanda about her pattern of lateness and absenteeism. In her case it's tied into her being a good daughter and sister. To her the school is a distraction from her central task: helping out those who love her and care for her. She smiles politely; there's steely disdain underneath it. At heart she's never with us. Doing well at school would require her to see us as allies. At present we seem at best a benign enemy (or nuisance), always telling her to make school her priority!

What differentiates these two from the ones who buy in fast?

**January 17.** It's the day before our Saturday retreat devoted to graduation standards. I'm nervously checking to be sure our external reviewers (college faculty, teachers from other high schools, and so on) have the material they need. Every student must complete the requirements of fourteen different "portfolio" areas: literature, history, ethics, science, math, media, and so on, and present seven of them to a Graduation Committee for questioning and defense. (The other seven are presented for a more cursory review.) The Graduation Committee has at least two assigned faculty, another adult of the student's choice, and a student. The whole thing is like a series of doctoral orals! It takes at least a year from the time the first set of work is presented until the last is approved. The kids take it very seriously. But ensuring that we have a set of shared and publicly defensible standards takes continual reexamination. We select a sample of items—including videos of Graduation Committee meetings—for staffwide review and then, ultimately, for external review. The "outsiders" review the material ahead of time. They start off by discussing their ratings and reasoning. The ratings are then compared with ours, and then we join together to argue over our rationales! It's a form of assessment that builds standards, examines teaching practice, and raises issues of curriculum—all at one and the same time.

The essence of our notion of standards is this publicness. It's like the old one-room school house evening performance, where kids got up before the whole community and recited poems, were quizzed on history, and so on. It's like a well-done Bar Mitzvah. There's both showmanship and authenticity to it. It's why we're so hostile to the idea of imposed "standards" via tests. They wouldn't be so dangerous if they were low-stakes exams that were used mostly on a sampled basis or as a way to get a second opinion. But they're being proposed as high-stakes assessment intended to be used to make decisions simultaneously about grade placement, graduation, college placement, job entry, school accountability, and teacher pay. Snake oil.

And such testing leads to cheating—directly and indirectly. No testing system can ever entirely avoid it. People cheat on eye tests if they need to. I like ours for that reason. There are lots of different kinds. The conversation about the test is part of the test, we're always revising, and the stakes are never too high. They can always try again.

**January 24.** A jerry-built solution to our heating system in the gym will tide us over. It's cold, but bearable. The locker room is another matter. It's unusable.

**January 25,** Saturday. Our SAT [Scholastic Aptitude Test] scores came in. Half above 790, half below. Once again they are largely a measure of the social class of our students. Plus race. Despite the coaching. Over 90 percent of this year's potential graduates took them. Is it fair to encourage them all to take these tests? I suppose it's a measure of their hopefulness (or naiveté) that they persist after low PSAT [Preliminary Scholastic Aptitude Test] scores. And we aren't good at discouraging kids. Last month the *New York Times* published ETS [Educational Testing Service] data showing how closely scores correlate with family income. Their graph grossly understates the case. The real social class disparities are much more devastating because so few students in the low-income categories take the test, and those who do are those rare high-achieving students who are considering expensive four-year colleges that care about SATs. Less than half of New York City's seniors take SATs, and only about half of the city's students ever reach their



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

senior year! So we're comparing all our students to the top 25 percent.

The SAT overwhelmingly measures class. But is this because of bad schools or bad testing? Is it part and parcel of the test design? Or because the impact of the school is always limited?

When it gets down to individuals, the mismatch between SAT scores and real intellectual competence is shockingly clear. Leona's 890 is such an inadequate statement of her exceptional intellectual ability. The wound to children's confidence and self-respect is enormous. If I could raise their scores in any way I knew how, I would, just to ease their pain. Attacking the testmakers doesn't relieve the burden of self-doubt.

**January 29.** Once again someone wants hard data on our success. As a purist about data I can't compress it into the needed two sentences. Compared to New York City data re attendance, graduation rates, test scores, college acceptances, it's so staggeringly high that I suppose precision isn't necessary!

Judy came in with her infant. She's one of four CPESSers who've had babies. How we agonize! We get anxious when the girls act so thrilled with a classmate's baby. On the other hand, motherhood is wonderful. If a youngster has chosen that route, however thoughtlessly, do we want to be her enemy? Is it contagious? Is that what I fear? So I hug her too. And feel joy.

**February 3.** Terrific staff meeting on racism. I started off irritated by the session's leader, who had us engage in a bunch of exercises I found silly and embarrassing. I put up with it in what I hope was good grace. Dom and Howie (both white) then role played a white parent luring a white teacher into a discussion about "those" kids in a clearly racist way. The tension among the white and black teachers was very sharp. Lois (white) felt sure it was a "straw man"; no white parent in our school would be so openly racist. I agreed. Dom said it had actually happened in just this way, and he had responded in just the way he play acted! I was aghast at both facts. It helped when someone "played" the white teacher and interrupted the attempted complicitous conversation by insisting that "those" kids were "hers." There was an almost audible explosion of relief. We spent an hour or more trying it out other ways, while everyone commented and criticized different approaches. A lot of interesting issues surfaced. Would it be any more acceptable in our school if an African American or Latino teacher did the same thing with a fellow African American or Latino parent? I tried it out with Sandra (African American). I played the African American parent sharing "our" shared perception of whites in the school. I hammed it up but the African American teachers laughed in recognition. It looked less simple to me when reversed. But lots of staff had trouble with it both ways. I think everyone left feeling intrigued and pleased. I know Sandra gets mad at me for saying that these race/class/gender discussions only will work if they're "fun." All this talk about its being "painful" but necessary is a mistake, I argue. Granted, the African American staff feel the pain all the time, so why shouldn't we? But pain is not the best educator. Not for kids or adults. The kind of thing we learn best from pain is avoidance and bitterness. (A little "discomfort" is probably okay.) Maybe whites are morally bound to suffer the pain. But so what? Pain works when it's strictly voluntary—when you're in control of the level of pain! But staff meetings are something else.

I felt vindicated today. We've come a long way. It's getting easier to talk this way together. I came away feeling I'd caught on to something that had seemed elusive before. Is it translating into how we dare talk with kids? Because they desperately need opportunities to sort out racism—to deal with it in a "safe" way. They're as touchy as the staff. Self-doubt and a sense of hopelessness are things you can chip away at. But we're all naturally nervous about exposing ourselves to the underlying rage.

**February 7.** Remember Derek? I haven't given up. His father and I meet. He's proving to me that he's the boss. And I'm trying to suggest a way in which we can both be. Pretty soon we need to work Derek into this picture! It's partly an issue of race, partly gender. Partly this man's particular issue. Partly mine.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

But it's also his way of caring for his son. Idea: place the requirement to keep in touch in his hands. (Why didn't we think of this before?)

**February 12.** Spent our advisory time organizing a cake sale for our spring trip. I hate cake sales. But I go along. We don't need to raise much money (or do much planning) because we're going to my place in Hillsdale, and the school pays for travel. The kids always give me a hard time about "Why can't we bring a Walkman?" or "You mean you don't even have a TV?" But they end up enjoying it. Above all they enjoy the sheer leisure and play. Running around the fields, dashing in and out, playing silly tag games, shopping, cooking, giggling before the fire, keeping me up very late at night, choosing a movie, bowling. Plus the required trip to a college campus. Visiting different college campuses each year has a cumulative impact. But it's the informal opportunity to be together in this unhurried and "alien" setting that I love most. They remind me of the weekends I spent in the country with my own children and their friends. Differences of class, gender, and race disappear for me in this setting as they never entirely do in the midst of New York City and school.

No one wants to leave at the end of three days. For a moment we feel like family. Magical moment.

**February 13.** Scientists, bless them, have "discovered" (*New York Times,* December 24) that there's a quality called "hopefulness" that is a better predictor of success, even in college, than grade-point average, class rank or SAT score! Maybe it's "hopefulness" that we keep alive at CPE. Maybe our success is not related to our highly praised curriculum or pedagogy but to creating an intensely personal and stable place that's always there for kids. The kids complain at times that we give (other) kids too many chances. They complain about how the teachers are always getting "into our business." They tell visitors we're "like a family." At times I deny this—because we are after all here for a purpose. We're not endlessly bound to love and forgive. But on the other hand: maybe it's in that gray area between being a family and a school that we engender hopefulness.

We need this midwinter break. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Cornelius Castoriadis**

# THE CRISIS OF MARXISM, THE CRISIS OF POLITICS

I must first apologize for the title of this essay. I am not interested in the crisis of Marxism but in the crisis of politics—I mean, emancipatory politics. What must be called not the "crisis" but the wholesale collapse of Marxism has been obvious to me for more than thirty years now. The events of the last five, or two, years, immensely important and significant as they are in other respects, teach us next to nothing as far as the theoretical body of Marx's work is concerned. But this collapse has opened for us the true political question: that is, once the oxymoronic idea that the object of politics is dictated by some sort of "historical necessity" is abandoned and assuming that we do not identify politics with the management of the existing order of things or the introduction of millimetric "improvements" in this order, how can we elucidate the object of politics and render account and reason for our political choices and actions?

Still, before dealing with this question, I will try to summarize very briefly some of the numerous points that have made, to my eyes and long ago, Marx's conception untenable. This is necessary even after the foundering of the so-called "Marxist-Leninist" regimes. Their invocation of Marx was of course a hoax. But even if it were not, to draw from this collapse the conclusion that it nullifies Marx's work would be tantamount to accepting the Hegelian principle of *Weltgeschichte ist Weltgericht*—world history is the Last Judgment—that is, paradoxically, to remain a Marxist.

Almost all of these points are related to the fact that Marx is deeply immersed in the capitalist imaginary, the nuclear significance of which he never questions. He believes in the centrality of production and economy. He shares in the mythology of "progress." He is fully taken by the fantasy of rational mastery of man over nature and over himself. He never dissociates himself from the rationalistic scientism of his (and our) epoch. He believes he has produced a watertight "scientific" theory of society, history, and economy. This mars even his best achievements: thus his economics, of lasting value as a *sociological* inquiry into the mechanisms of capitalism, are untenable as economics proper, and the main reason for this is that Marx transforms into a theoretical axiom what is the (unattainable and self-contradictory) practical objective of capitalism—that labor power is (has to become) just a commodity like any other. He criticizes neither capitalist technology nor capitalist organization of work, production, and factory—only their use for capitalist ends. He is blind to the phenomenon of bureaucracy, and this is no accident: bureaucracy is not an "economic" structure; it pertains to the structure of power.

All this has had deep and catastrophic effects on the workers' movement. To mention but two points: if there is one true theory, all dissenters are wrong or wicked or both. The idea of one true theory begets the politically monstrous idea of orthodoxy. Orthodoxy requires guardians of orthodoxy; that is, a church or a party machine. A church committed to orthodoxy needs an Inquisition, and heretics must be burned—or sent to the Gulag. And if the "development of productive forces" is the supreme criterion, Russia's "industrialization" redeems Stalin's crimes, and the victims



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

belong to the overhead costs of historical development.

Now, if one takes away Marx's economics, his "materialist" conception of history and his belief in "historical laws," his messianistic fantasy of a future society fully transparent to itself and spontaneously self-regulated, what remains? Leaving aside some acute and profound social-historical descriptions—the *Eighteenth Brumaire*, the chapter on primitive accumulation in *Capital*—what remains is what I have called "the other element" in Marx: the element that stresses human activity, affirms that humans make their own history under determinate conditions generally without knowing it, and asserts that we have to find in actual historical reality the factors tending to transform this same reality.

Without dwelling on the onesided specification it received in the hands of Marx (for whom this human activity is essentially *productive* activity), I will only note that this element in itself is again ambiguous. That humans make their own history ends up meaning—or rather, means from the start, already in *The German Ideology*—that they make tools and by making tools they inescapably bring about all the rest. That humans make themselves first and foremost by creating significations and institutions, that tools themselves *are* institutions as well as embodiments of meaning—of significations—that Marx cannot see. Equally, the idea that history is always made under determinate conditions may mean two things: that any historical activity always takes place in a given world, in given circumstances, under *necessary* conditions that at the same time limit it *or* that these determinate conditions are also *determinant*; that is, not only necessary but *sufficient*, which is clearly the idea of Marx and which, if true, would make of the idea that humans make their history sheer nonsense, of history itself an immense deterministic concatenation, and of the ideas of truth, of value, of choice, of responsibility pure illusions functioning in view of ends unknown and unknowable to their bearers.

I will rather concentrate on the *political* "realistic" aspect of the idea. Marx wants to break with "utopian" thinking and believes that he finds in the actual historical reality the factor that will transform this reality. As known, this factor is the proletariat, and of course there can be no doubt about either the historical importance of the workers' movement or the *grosso modo* legitimacy of its initial aims (I am leaving aside here the discussion with the diehard "liberals"). But this stand raises very important questions, sidestepped or laughed out of court by Marx himself and by the best of Marxist writers.

To say that a political project of transformation of reality is worthless *unless* it can find in social-historical reality itself the factors making its realization possible is obvious and even trivial. But Marx means much more than that. He thinks that he has found in reality all he needs, and that there is no problem either of project or of choice. Communism, says he, is not a political program but the actual movement transforming social reality. Supposing this to be true, we are left with the question: *Why* should we value positively, in advance, whatever transforms reality? Why should we value positively something on the grounds that this is the dominant social-historical trend?

Marx can escape these questions because it just so happens (or happened) that the workers' movement aspires (or aspired) toward freedom, equality, justice; and who would dare to raise even the question of the value or the legitimacy of those aims (though of course Marx scorns the ideas of value or legitimation)? But we cannot escape in the same way, both on empirical and theoretical grounds. A short reflection can only lead us to reject Marx's stand on this point, which is, after all, the primary point in any political position.

That we cannot, ought not, and have not to support a movement just because it is "real" or the dominant social-historical trend hardly needs discussion. Empirically, if this were the case, we would have to support Stalinism, or Nazism, or the one after the other according to place and period; or we would have to support today the frantic course of technoscience and the "development of productive forces" destroying this planet. And if someone were to say that there are conflicting trends in reality, so we must choose among them, the question



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

would still arise, choose on what grounds? And it is clear that the answer could not be found in reality itself.

Logically and philosophically, the idea that "an actual movement which suppresses the existing social reality" is good in and of itself or that we have to support it presupposes a (properly speaking silly) postulate, at the center of a progressivist metaphysics of history; whatever comes after is better than what was there before. Behind this—if we abstract from the idea of a Divine Plan—lies the assumption that history—and Being in general—is a *cumulative* process. It is immaterial if this accumulation is taken to be "linear" or "dialectical." In both cases, the future has to be "superior" to the past, and the "best" of the past is conserved in the present. And in both cases, the ultimate platonic fallacy that Being (or, here, Becoming) is in and of itself Good, is entailed.

This is of course a teleology (and theology) of history, and this teleology is clearly present in Marx (as in bourgeois liberalism). But any teleology of history not only makes politics meaningless; it contains an internal contradiction. On the one hand, it forbids judgment on any and all particular events or instances of reality, since they all form necessary elements of the Grand Design. At the same time, however, it allows itself to pass an unrestricted positive judgment on the totality of the process, which is, and can only be, good. This, of course, can only be a religious, not a self-reflexive, stand.

To insist: the hidden assumptions in Marx's position are equivalent to a *sancta realitas* principle, or the thesis of the rationality of the real. To be sure, the real here is construed to be that which in the real itself negates the real. But this only means that the real movement of negation is more real than the reality it negates. If the "immanent critique" is *strictly* immanent, it is not a critique of reality but just a part of it.

The progressivist metaphysics of history is untenable for the very same reasons that make a global teleology of history untenable. And for the reasons hinted at above, a total determinism is also untenable, which is but another way of asserting that whatever is real, is rational. (Deterministic scientism is only the absolute idealism of the philosophically illiterate.)

History—as well as Being—is creation as well as destruction: creation of forms and destruction of forms. Therefore, any idea of accumulation or progress on a total and universal level is strictly meaningless. And creation, in and of itself, is not equivalent to value. We create history—forms of society, *oeuvres*, and so on—and we have to choose among our creations. And this very possibility of choice, of nontrivial choice, is itself a historical creation. It does not exist for the true faithful, indeed for any individual in a "traditional" society. The choice, when brought to bear on the form of institutions, is politics properly understood. And for the reasons mentioned above, it is this possibility of choice—thus, of politics—that Marx's conception makes impossible.

Why, then, discuss Marx in relation to the crisis of politics today? First of all, of course, because this very conception of Marx's, and its subsequent degeneracy and final collapse, is one of the factors that have precipitated the crisis of politics. But also for another reason. Whatever one may say of its other aspects, the work of Marx is a part and a moment of the social-historical project of autonomy as it reemerged in Western Europe since the twelfth century. It is true that, as already said, this work is contaminated to a lethal degree by the social imaginary significations of capitalism. True also, it played a catastrophic role through its influence both on workers and intellectuals. But, equally true, it embodies one of the most radical, even if failed, attempts toward a critique of the existing social order. And, finally, for many countries and many decades, it has been inextricably mixed with the workers' movement, which, even if it failed in its central aims, brought about transformations of the capitalist society without which this society would probably not have survived and, at any rate, would not be what it is today.

And now we find ourselves in the following position. We still adhere—and I would add, for my part: more than ever—to the project of social and individual autonomy—of human



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

emancipation, if you prefer. We reject the Marxian idea of "grounding" it on the "laws of history" or even on the movement of the workers if only, simply, because this movement no longer exists except as one of the many interest groups fighting within rich capitalist societies. And we are left with two questions, the first of which is, to my eyes, easy to answer on the theoretical level, while the second acquires today an agonizing acuity.

The first question is: why—in the sense of for what *reason*?—do you support the project of autonomy? The answer is easy on the theoretical level because the very fact of posing such a question forces, so to speak, its own answer. If somebody asks for reasons, for reasonable reasons, he has already entered the field of the *logon didonai*, of rendering account and reason, which in itself entails the recognition of the value of autonomy in the sphere of thinking. And it is easy to show—in fact, it is a tautology—that autonomy in the sphere of thinking is synonymous with reason itself. It is equally easy to show that this autonomy is not an "individual" affair, that it is decisively conditioned by the institution of society—not in the sense of the absence of "external" repression but in the sense of the internalization of institutions by the social individual making possible free and unfettered thinking. And autonomous thinking is both a precondition and a concomitant of the effective autonomy of the individual as well as of the collectivity.

To be sure, this is not an argument against a true believer of any religion or dogma. But of course a true believer should never argue: he should only show his Book. We choose to think, therefore also to argue. Free thinking, the kernel of the project of autonomy, is a creation of our history. It is not the only one: the Inquisition, Stalinism, Nazism are also creations of our history. But we *choose* against heteronomy. This choice is made possible by our history, but, as experience amply shows, is not dictated by it. It is a choice, and as such it entails a category easily forgotten in philosophical and political discussions today: It entails *will*. Not "voluntarism," but the capacity of self-reflexive deliberation and decision, without which even thinking itself is impossible.

So, we will autonomy—for ourselves and for all. And this is a *political* will and project, whereby we link ourselves with one of the essential strands of Greek-Western history.

But here arises the second, much more difficult, question. As I said before, it is obvious that no political project can ignore the question of the factors that may bring about its realization. For a time, one could think—as I thought myself—that the workers' movement was this factor. This one cannot hold anymore. Marcuse thought that youth, students, marginal categories, and so on would take the place of the workers' movement. I consider this, as I do third-worldism, a most awkward attempt to preserve the Marxian framework by simply substituting new social categories for the old ones. True, many new and important movements emerged during the 1960s: Ethnic minorities, youth and students, women, ecological groups. They had a profound and lasting impact on society—but they waned, and never created a new, global political vision.

At any rate, one has to go beyond these categories—beyond "class thinking." De jure, the project of autonomy concerns the whole of society. De facto, 90 percent of the population could be expected to support it.

But the present social-historical reality is different. For forty years now, with the exception of the minority or sectional struggles just mentioned, there is an unmistakable decline of the social and political conflict. We have in front of us, in the rich countries, a population dominated by privatization, apathy, cynicism, and the naked pursuit of consumption for consumption's sake. The social-psychical structure of the present individuals is more and more exclusively shaped by the nuclear imaginary signification of capitalism: unlimited expansion of (pseudo-)rational (pseudo-)mastery. And it would, of course, be silly to try to find in the "objective contradictions" of the established system a guarantee or even an assurance that the situation will change in this respect. Objective conditions by themselves mean little. Even an ecological catastrophe, in the present atmosphere of apathy and privatization, would be as likely to bring about a new kind of fascism as to wake up people. As



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for the people in the poor countries, who form 85 percent of the planet's population, they have proved up to now incapable of breaking with their traditional theocratic religious creeds, or else easy prey for military or "socialist" tyrannies.

The project of autonomy, or emancipatory politics, is not a political endeavor like any other. It can only be realized through the autonomous activity of the people. And it is precisely this activity that, in the present period, is dramatically absent.

To be sure, nobody can pass a final judgment on the current social-historical period. On the one hand, there is the apparent triumph of the capitalist imaginary. On the other hand, we certainly do not yet live in fourth-century Rome or Constantinople. Islands of resistance of the prevailing order of things can be found almost everywhere.

So we can do nothing but maintain our project of a transformation leading to a free society made up of free individuals, on the possibility that our critical activity and the exemplification in our acts of the values we stand for will contribute to bringing about a revival of an emancipatory movement, much more lucid and self-reflexive than the previous ones. Beyond that, an old line will always retain its validity: Here we stand, we cannot do otherwise. □

**Democratic Vistas 1991—**

*A Statement for the Democratic Left*

Copies available for $1 each from *Dissent*, 521 Fifth Ave., New York, N.Y. 10017.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Elizabeth Kiss**

# DEMOCRACY WITHOUT PARTIES?

## "Civil Society" in East-Central Europe

*"My generation is very good at opposition, but not very skilled in building democracy."*
—Wiktor Kulerski, Solidarity delegate, Polish *Sejm* (*Uncaptive Minds*, August-October 1989)

"Civil society" became a catchword for the democratic dissidents of East-Central Europe in the 1970s and 1980s. For them, the creation of a vibrant sphere of voluntary associations outside of state structures represented both the most practical and attractive democratic strategy. Many of those dissidents have now become politicians in postcommunist Eastern Europe, and often they have continued to make civil society the locus of their concern.

In East-Central Europe this emphasis on civil society provided a powerful theoretical tool for criticizing communism, as well as a successful strategy for undermining it. The focus on civil society offered some general insights for democratic theory as well. It stressed that democracy requires more than free elections, that citizens of democratic societies need networks of associations that provide opportunities to participate in shaping public life. This richer picture of a democratic society was a welcome antidote to the Reagan administration's formulaic insistence on free elections as a sufficient condition for democracy and offered a basis for criticizing the inadequacies of Western democracies as well. The East-Central European dissidents inspired theorists of democracy in other parts of the world to employ the idea of civil society, including such scholars as Alfred Stepan, Guillermo O'Donnell, and Philippe Schmitter in their work on Latin America, and Andrew Arató, Jean Cohen, and John Keane in analyzing North American and Western European democracies.

But there are serious problems with a democratic politics focused on civil society. These arise from the antipolitical stress of a civil-society-based politics, its hostility to traditional democratic institutions such as governments, parliaments, and parties. (See Michael Walzer's "The Idea of Civil Society," *Dissent*, Spring 1991.) A primary focus on civil society ignores or devalues the role of traditional political institutions in constructing a stable democratic order. It forgets that a civil society requires a democratic political and legal order to sustain it. It is an approach that also tends to romanticize civil society itself, ignoring its internal divisions and antidemocratic tendencies, and the role that governments must play in ensuring that nongovernmental associations do not endanger democracy.

East-Central Europe is particularly vulnerable to this contempt for traditional political institutions precisely when it desperately needs these institutions to dismantle the old order and build the new. The East-Central European dissidents, like dissenters everywhere, defined themselves in opposition to the *status quo*. Their values and rhetoric emerged in reaction to their experiences under Soviet communism during the last forty years. But in their sharp rejection of communist statism they embraced an antistatist attitude that translates badly into the postcommunist era.

The Communist party-states in East-Central Europe sought to monopolize the entire public



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

sphere, controlling politics, economics, the media, the academy, and cultural and religious life. As the communists consolidated their rule in the 1940s, they systematically destroyed or coopted all autonomous associations: political parties, trade unions, churches, and clubs. This process, which the Hungarian sociologist Elemér Hankiss called the "demobilization of society," had far-reaching effects. People were deprived of avenues for the free articulation and defense of their interests. Meanwhile, power was distributed through quasi-feudal patronage networks, and leading political, economic, and cultural positions were allocated among the more or less secret ranks of the *nomenklatura*.

Another important factor influencing East-Central European dissidents was the traumas of 1956 and 1968. The use of Soviet military force to crush the Hungarian revolution in 1956 and the Prague Spring in 1968 convinced opponents of communist rule that direct confrontation with the Communist party or attempts to radically transform it from within would not be tolerated by the Soviet Union. This forced East-Central Europeans to develop a sharper geopolitical realism, to realize that the West was unable or unwilling to help them. It also accelerated loss of ideological faith among members of the communist elite. Many East-Central Europeans, disillusioned by these events and by the continuing gap between the official picture of society and people's lived experience, became cynical and embraced strategies of accommodation, which Vaclav Havel called "living within the lie." Some opted to work within the system for goals they hoped would benefit their countries and consolidate their own power while being acceptable to the Soviets. The most striking example was the implicit "social contract" that evolved in Kádár's Hungary, which claimed political legitimacy because it could deliver relative economic prosperity. Among the effects of this "goulash communism" was the rise (not only in Hungary) of a new generation of communists who were economic pragmatists, and who were profoundly shaken by the progressive deterioration of East-Central European economies that began in the late 1970s and accelerated through the 1980s.

It was in this climate that some dissidents began, in the late 1970s, to develop a strategy of resistance that focused on reclaiming the political space monopolized by the party through developing and mobilizing "civil society." They created a network of autonomous organizations that would provide social space parallel, rather than directly opposed, to the one-party state. Since the Communist party-state had sought to destroy or appropriate this space, the notion of civil society was especially suited to the East-Central European context. "Civil society" could include a wide spectrum of activities, from cultural and religious organizations and human rights groups to independent economic activities ranging from trade unions to private enterprises.

The pioneers of the civil society approach included the founders of Charter 77 in Czechoslovakia, among them Vaclav Havel; Committee for Workers Defense (KOR) activists like Jacek Kuron and Adam Michnik in Poland; and *samizdat* writers and publishers like Gábor Demszky and János Kis in Hungary. While there were significant differences among these people, they shared the core idea of the civil society strategy: its opposition of "society" to "state." In Kuron's words, "[s]ociety organizes itself as a democratic movement and becomes active outside the limits of the institutions of the totalitarian state." These ideas of "society" versus the "state" or of the "second," or "parallel," society provided the theoretical basis for dissident initiatives, most famously for Solidarity's strategy of "self-limiting revolution" in 1980–81. The declaration of martial law in December 1981 and the arrest of many Solidarity and KOR leaders was a dramatic but ultimately temporary setback for the Poles, who managed to revive the strategy of "Underground Society" in the post–martial law period by creating an astonishing array of autonomous institutions (four hundred periodicals, forty-one news agencies, the "flying university," underground theaters, and art galleries). Although much less extensive than Poland's, Hungary also had its own "second society" initially centered around small groups of writers of *samizdat,* but expanded to include movements for environmental regulation and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

for the protection of Hungarian minorities in neighboring countries. In Czechoslovakia, by far the most repressive of the three countries, dissidents managed to maintain a number of civil society initiatives, the best-known being Charter 77 and VONS, the Committee for the Defense of the Unjustly Persecuted.

The civil society approach was, of course, deeply political in that it tried to create opportunities for people to participate in public life. But it avoided high politics, rejecting the traditional radical dream of seizing state power. It did not present itself as an opposition to one-party rule. Strategically, the decision to eschew direct confrontation with the state was motivated, as we have seen, by historical experience and geopolitical realism. But many dissidents also became convinced that, with the loss of faith among the communist elites, a civil society strategy had a good chance of gradually forcing changes within the party, either through a sort of "implosion," as autonomous organizations took over the role of party organizations, or through the effect of attempts by the regime to coopt or compete with the opposition.

Some dissidents viewed the emphasis on civil society as purely a transitory strategy and continued to espouse multiparty democracy as their final goal. For example, as early as 1977 Hungarian dissidents János Kis and György Bence criticized the view that multiparty democracy was an undesirable—as opposed to an impractical—option for East-Central Europe. Kis and Bence argued that autonomous social organizations within a one-party system could never replace the democratic interest-representing and conflict-resolving functions of a multiparty system. But many also had deep philosophical commitments to the idea of civil society. For them, civil society was a blueprint for democracy itself, with civil society replacing the state.

This anti-political approach to democracy reflected an understandable tendency to associate party politics with Stalinism. It also stemmed from the conviction that traditional Western multiparty parliamentarism did not guarantee a flourishing democracy. Democratic aspirations could not be satisfied with, in Havel's words, a

> static complex of rigid, conceptually sloppy and politically pragmatic mass political parties run by professional apparatuses and releasing the citizen from all forms of concrete and personal responsibility. (Havel, "The Power of the Powerless")

This all-too-relevant critique of Western democracy, fused with the antistatism born of life under communism, produced, in the writings of Havel and of György Konrád—whose works "The Power of the Powerless" and *Anti-Politics,* respectively, are the classic statements of the civil society approach—the view that party or state politics are incompatible with true democracy. Party politics are concerned with Machiavellian games of obtaining and preserving power, while the politics of civil society are motivated by conscience and the desire, in Havel's words, to "live in truth." Konrád supported "anti-politics," which he defined as "the political activity of those who don't want to be politicians and who refuse to share in power." And Havel wrote about a society characterized by "non-political politics," which would have no parties but would instead be based on spontaneous and ephemeral associations of a "post-democratic" kind; he also asserted that "parties should not take direct part in elections" and "should not participate directly in power." In these visions, civil society was no longer a complement to government, but an end in itself.

Such visions reflected the stubborn nobility—one could say quixotic idealism—that characterized the dissidents' world. These were men and women who, at great personal risk and in the face of near-universal consensus that the *status quo* would remain basically unchanged for a very long time, continued to occupy the moral and political high ground. For most of the dissidents the swift collapse of the communist system and their own elevation to political power came as a surprise.

The civil society strategy undeniably helped bring about the collapse of communism in East-Central Europe. Even though the ascent of Gorbachev and his decision to suspend the



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Brezhnev Doctrine were obviously key factors, dissident organizations also played a necessary role in East-Central Europe's more or less orderly revolutionary transformation. By influencing reformers within the Communist party, dissidents helped to bring about the relaxation of censorship and the increasingly independent-minded behavior of communist-led organizations such as the People's Patriotic Front in Hungary and the nominally non-communist opposition parties in the Polish *Sejm*. Leaders of the "alternative society" also became negotiating partners of the Communist party in the roundtable discussions that preceded multiparty elections in Poland and Hungary and the resignation of the Politburo in Czechoslovakia, and subsequently became members of the new political elite.

The duality of "state" and "civil society" also played an important psychological role in uniting opponents of communism. The identification of democracy with civil society created a powerful vision of collective identity: civil society was "Us," state authority was "Them." This duality was especially important in Czechoslovakia, where, during the Velvet Revolution, demonstrators in Prague's Wenceslas Square chanted, "We are not like Them." "We" would remain pure from the corruption of political power.

But although this rhetoric of "us" versus "them" was a powerful anticommunist force, it did not translate very well into the new situation in which there was no longer a clear "us" and "them" and in which—especially in Havel's case, catapulted to the presidency within a few dizzying weeks—"we" now stood where "they" had always been. Many dissidents continued to employ the rhetoric of civil society in an attempt to maintain democratic consensus and to retain the moral high ground. But civil society cannot act as a substitute for state politics. Ultimately, attempts to make it do so proved counterproductive to democratization, since they failed to take seriously the role of government in a democracy and overestimated the unity of civil society.

The former dissidents were reluctant to engage in party politics. People were loath to call new political groupings "parties"; instead they were called "forums" (Civic Forum, Hungarian Democratic Forum); "alliances" (Alliance of Free Democrats, Alliance of Young Democrats); or "committees" (the Citizens Committees, which became the political arm of Solidarity). Some even used explicitly antiparty slogans in campaigns, like Civic Forum's "Parties belong to party members, but Civic Forum belongs to everyone!" This suspicion concerning the very idea of political parties was expressed by Zbigniew Bujak, founding member of one of the splinter parties of Solidarity, Democratic Action (ROAD). In an interview, Bujak (the brilliant chief tactician of Solidarity during its underground period) offered these rather confused comments:

> We shrink from the term "party" . . . [but] we envisage a formal individual membership of our Movement (. . .). But we are not planning to conduct mass recruitment campaigns . . . . We intend to become a representative of the majority of society, although not everybody will be happy with us. We wish to be open-minded. . . . (*East European Reporter*, July 1990)

The anti-party bias was not only a matter of language. Both Solidarity and the Citizens Committees and Civic Forum/Public against Violence acted as broad alliances that claimed to represent all of civil society. They emphasized non-confrontation and stressed toleration of a plurality of opinions to the detriment of detailed political programs. Activists spoke of creating political "space" that would be filled by the "people"; they publicly expressed their suspicion of concrete programs and argued that it was not their prerogative to formulate policies: Ralf Dahrendorf reported that one leading Hungarian politician remarked when asked about his party's economic policy, "That is not for us to say but for the people." (*Uncaptive Minds*, March-April 1990)

These attempts to maintain a politics of consensus and to eschew traditional political power were counterproductive. They created a vague and illusory consensus while slowing down the formulation of government policies. They also provided no formal mechanism for articulating and resolving differences, thereby



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

enhancing a tendency for political differences to be expressed in terms of personal animosity. In the end political and personal differences led Civic Forum to split, six months after the elections, into (among others) the Civic Democratic party, the Civic Movement, and the Civic Democratic Alliance, creating confusion as parliamentarians elected as members of Civic Forum tried to decide which of its splinter parties, if any, to join. Solidarity's case was similarly made difficult by its unclear status as both a broad "civil society"-based alliance and a trade union, by the fact that it was forced by its own astonishing success in the partially free elections of June 1989 to form a government that attempted to work with a communist-dominated parliament, and by Solidarity leader Lech Walesa's initial retreat from politics followed by his reentry as a critic of his own movement's government. By the time Solidarity leaders abandoned their attempts to preserve social consensus and began to split into parties, personal disputes and widespread public distaste for politics helped bring about a fragmented, even chaotic result: in the recent national elections, voter turnout was low (about 43 percent) and the outcome indecisive, with twenty-nine parties, including the notorious Beer Lovers party, getting into parliament.

The role of the politics of civil society in the immediate postcommunist period should not, of course, be exaggerated; these countries face formidable obstacles that guarantee that the transition period will be stormy and difficult. One can also have sympathy for the difficulty of the change in vocation and outlook demanded of former dissidents. But it is clear that conceiving the democratic community as civil society worked against the formulation of legislative programs by parties and decisive activity by new governments. This is a dangerous phenomenon.

In fact, equating civil society with the democratic political community is fundamentally inconsistent with the idea of civil society, which, as Hegel pointed out long ago, depends for its secure existence on a state-created and -protected legal framework. It was civil society, not the state, that was suppressed in East-Central Europe for the past forty years. But the regeneration of civil society is only part of the story of democratization. Given the need to dismantle old structures and create new ones, traditional political institutions have perhaps the most important role to play in the first stages of democratization. The new social order that will emerge in East-Central Europe and the extent to which it fosters democratic aspirations will depend in large measure on governments, parliaments, and parties. In part this is because of what they have to work with: the Communist party-state largely monopolized political and economic life and owned most of the country's assets, leaving it up to the new governments to dismantle the old system. They must figure out what to do with the vast amount of state property under their control—whether, for instance, to return enterprises to their previous owners or their descendants, sell them to the highest bidder, or distribute shares to employees—and how to strike an acceptable balance between justice and efficiency in the process. They must construct a constitutional framework guaranteeing the rule of law and the rights of citizens and determine the powers and jurisdictions of branches of government. They must deal with such fundamental decisions as the role of trade unions, the restructuring of the educational system, and church-state relations. They must decide whether it is legally permissible, socially just, and politically advantageous to prosecute or to revoke privileges of former communists who abused their powers. They must formulate new foreign alliances and seek foreign trade, investment, and loans. While these decisions should be influenced by nongovernmental organizations—independent media, churches, trade unions, social movements, and pressure groups—legislative proposals ultimately have to be formulated and voted on by politicians.

Politicians will have an enormous impact on democratic prospects in other ways as well. For instance, skill in handling social dissatisfaction over falling living standards is required to prevent dangerously destabilizing social conflict or the rise of demagogues, and their actions will also determine the extent to which



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

former members of the communist bureaucracy will be able to convert their privileges into economic power.

The focus on civil society can also be counterproductive because it overestimates the unity and democratic nature of civil society itself. A social institution's independence from government does not guarantee that it will be conducive to democracy. A tendency to reify civil society ignores important divisions among social groups—for instance, between growth-minded economists and environmentalists or between conservative religious groups and feminists. The suppression of civil society under communism made it possible to see independent trade unions and independent entrepreneurs in the "second economy" as partners united in opposition to the party-state. But in the postcommunist era the interests of these two groups are not always going to be congruent. As Erazim Kohák and Tadeusz Kowalik pointed out in their sobering reports from Prague and Warsaw (*Dissent,* Fall 1991), many East-Central European leaders are oblivious to the ways in which unregulated markets undermine democracy. Poland—and now Russia—appear to have succumbed to the new technocratic utopianism of neoliberals who advocate the "shock therapy" of sudden marketization with scant regard for its social costs or for society's ability to take advantage of new economic opportunities. The tendency for East Central European intellectuals to embrace the ideology of the free market and to regard all government regulation with deep suspicion is, of course, aided by the antipolitical bias of a politics based on the idea of civil society. More generally, an attitude of suspicion and hostility toward government encourages political apathy, which, though an understandable legacy of communism, can undermine democratic authority as well.

Critics of democracy have always stressed its self-destructive tendencies. The road ahead for the countries discussed here appears to be difficult though far from hopeless. But it is important to remember that good and noble intentions, like those underlying the commitment to civil society, are no guarantee of positive democratic results. As the constituent republics of the Soviet Union begin confronting their own obstacles to democracy, they should try to learn from the experiences of their Western neighbors. One such lesson is that a democratic politics centered too exclusively on civil society can end up endangering democracy by failing to take seriously the political work needed to build it. □


## A LEGACY OF IDEAS

A bequest of any size can be of lasting benefit to *Dissent* and help ensure that the ideas and beliefs you hold dear will continue to have a public forum. Our legal name is the Foundation for the Study of Independent Social Ideas. We ask you to consider one of the following options:

1. You can leave a specific amount or a particular asset.
   "I bequeath $_____ to the Foundation for the Study of Independent Social Ideas."
2. You can leave a specific percentage of your estate.
   "I bequeath _____% of my estate to the Foundation for the Study of Independent Social Ideas.
3. You can leave the remainder of your estate.
   "After distributing the specific bequests listed above (to others in your will), I leave the remainder of my estate to the Foundation for the Study of Independent Social Ideas."

For more specifics on this or other information on gift planning, feel free to phone or write *Dissent*, 521 Fifth Avenue, New York, N.Y. 10017 (212) 595-3084.




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

H. Brand

# WHY THE SOVIET ECONOMY FAILED

## Consequences of Dictatorship and Dogma

The disintegration of the Soviet Union stemmed largely from the long decline of its economy. This decline undermined the role of the Communist party, which had been the central force in the country's political and economic structures. The legitimacy of the party derived from its promise of social progress. But the command economy that Stalin had built in the name of the party stymied the very progress, the very "forces of production" that were to be promoted. How did this come about?

The decline of the Soviet economy cannot be reliably documented; statistical data are in dispute. Until recently, the official statistics indicated falling rates of economic growth rather than actual contraction. Industrial production was reported to have risen at an average annual rate of 8.5 percent during the five-year plan of 1966–70, but to have receded to 3.7 percent a year for 1981–85. The rates for agricultural output and labor productivity show similar trends for the two decades that ended in 1985.[1]

Reported Soviet growth rates have been widely judged to be partly fictitious. Enterprises often overreported their output. The value of total Soviet output was not, or was not appropriately, adjusted for changes in prices; it also included much double counting. Aside from these reliability problems, the decline is puzzling in view of the pervasive shortages of goods and services. Since declining growth rates imply more and more idle capacity, the shortages should have been overcome and the earlier, more rapid rates sustained. So careful a student as Alec Nove early raised the question of Soviet economic growth's having stopped; Soviet sources put the growth rate for the early 1980s at less than zero per capita. For the late eighties, a downward trend has been confirmed by official Soviet sources as well as by CIA estimates.[2]

In a study of the East European economies the CIA stated, "The region's poor performance can be attributed to a number of traditional factors— . . . declining labor and capital productivity, crumbling infrastructures, excessive bureaucratization, technological stagnation, and distorted incentives."[3] This statement also largely fits the Soviet Union—largely, but not wholly: for there bureaucratization was not so much "excessive" as integral to the economic structure. Nor can the factors of decline be understood simply as "traditional." For the study raises the question: how could sixty years of economic planning (the first five-year plan was introduced in 1929)—years that included a great war against an industrially superior foe, the creation of great industries and the deployment of a vast labor force, and the urbanization of what had been an overwhelmingly rural population—how could such achievements end in failure?

The question, as well as whatever answers one finds, addresses the fate of an entire people; beyond this, it involves the idea of socialism. The Soviet Union was until recently a totalitarian state, yet it sought to link its legitimacy with the socialist idea. The history of the Soviet Union renders these claims baseless, but they retain a powerful ideological influence—in an increasingly negative way.

Perhaps no socialist idea was more profoundly subverted by the Soviet regime than that of planning. For democratic socialists,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

planning historically has been thought of as dealing rationally with the blind forces of the market and of reconciling, to the extent possible, public and private interests. Planning historically embodied reason—reason as a moral value—and the ends for which it strove were inseparable from this value. That the attainment of these ends would depend on the participation of those affected by them was a key premise of socialist advocates of planning. To approach problems in the spirit of reason has always been at the core of socialist thought.

Although planning in the Soviet Union had some roots in a few undeveloped statements by Marx and Engels, its early model was the authoritarian wartime planning in Germany during World War I. Soviet planning was to be implemented by directives having the force of law. There was never any thought of allowing participation by those affected by the planned targets, although enterprise management could attempt to bargain with the authorities. In a sense, the administrative bureaucracy replaced what should have been the work of collective participants. Furthermore, planning in the Soviet Union entirely disregarded the social and environmental costs of industry. That is evident from even such crude indicators as life expectancy and infant mortality, the one being much lower in the Soviet Union than in the OECD (Organization for Economic Cooperation and Development) countries, the other much higher.[4] And it is even more strikingly evident from consumption standards, which were deliberately kept low so as to gain resources for capital investment. It appears never to have occurred to the policymakers that repressing the sphere of consumption would in time result in the deterioration of productivity and thus constrict production, making the breakdown of the economy inevitable.

## The Effects of Perestroika

Before examining the Soviet economy's long-term decline, let us consider the crisis into which it led or, better, the crisis created by the reform efforts—perestroika. First of all, supply shortages worsened; consumer and producer goods had always been scarce, now their scarcity intensified. If general availability of foodstuffs in the Soviet Union was measured on a scale from 100 percent to zero, then in 1983 it stood at 90; by 1989, it had fallen to about 20, by 1990 to 10.[5] The intensification of shortages has been attributed by some scholars to greater pull of demand arising from large earnings increases granted in the mid-eighties as part of a reform designed to enhance work incentives and raise productivity. Moreover, after 1987, enterprises were permitted to retain a large part of their profits, all or most of which had been previously appropriated by the state (in line with its command over the allocation of capital investments). Self-financing was now to be encouraged and reliance on (often) nonrepayable credits lessened—the beginnings of a "hard-budget constraint." However, this policy fueled inflation; retained profits swelled by a factor of eight between 1985 and 1989, giving the enterprises great spending power. Enterprise profit retention and lower taxation reduced state revenues, adding to the state deficit. In earlier decades, deficits had been minor—or were so reported—relative to the national income; now they soared to unprecedented levels. Because they were financed in effect by printing more rubles, they added to liquidity, hence inflation.

Perhaps the most important reason for inflation was that state prices remained fixed while prices on the black or gray markets, for exports, or for hard currency circulating domestically, were far higher.[6] This led to empty shelves in state stores. It disrupted supplies to intermediate or end users, causing production to drop, thus further disrupting the flow of distribution, now less easily bridged (if at all) by middlemen acting against or outside the law.

Underlying these crisis manifestations was the failure of perestroika as an *economic* reform. Unlike earlier reforms, which also failed but did not lead to crisis, perestroika occurred in the context of a political liberalization that, with all its unquestionable benefits, fatally weakened the center's authority. The center's command over the economy lost effectiveness—not least because Gorbachev's "restrictions on ministerial powers were ac-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

companied by an extraordinary cut in personnel," by close to one half.[7]

The rise to prominence of the "shadow economy"—the black and gray markets—can only be explained in terms of the political demoralization of the center, a factor that deepened the crisis of the economy. Although the shadow economy was not a new phenomenon, "under Gorbachev (it) . . . increased markedly despite measures to suppress or to legalize it."[8] The enormous overhang of money since the late 1980s provided the incentive not only to illegally produce consumer goods that were scarce but to steal them from state enterprises.[9] In fact, enterprise management frequently steered its products to dealers in the shadow economy rather than into official channels. Gorbachev has stated that when "salt, sugar, flour, and many other goods that are not in short supply are continuously vanishing from the trade network . . . one automatically gets the idea that someone has a stake in maintaining shortages."[10] It was not "someone" but "millions who steal and embezzle from the state or defraud it. . . . The crucial importance of theft from the state for the Soviet underground cannot be overstated."[11]

## Gorbachev's Aims

Some scholars have reproached Gorbachev with lacking the boldness to break radically with the command economy and institute a market. However, Gorbachev viewed perestroika as a way to advance rather than to surrender his concept of socialism.

Perestroika was meant to restructure the economy along the following lines: to encourage cooperatives in services, distribution, and small manufacturing and to promote farm leaseholds (the letting of farmland to farmers for up to fifteen years; leasing was to avoid the ticklish question of land ownership). It sought to substitute economic norms (that is, costs, prices, profits) for the physical quantities that had been assigned by Gosplan (the centralized planning agency) as output targets to state enterprises and to shift to them certain responsibilities from the industry-branch ministries. And it began to realign investment priorities in favor of consumer goods. In general, perestroika aimed to diffuse the system of centralized economic power, but it could not overcome the resistance of the bureaucratic-hierarchical structure.

Although the number of cooperatives grew, the local economic directorates and Communist party organs interposed all manner of difficulties, often outlawing them altogether. Needed raw materials or equipment or access to technologies were often unobtainable for them; their requirements were usually not considered by the planning agencies. Where they obtained them outside the law, their bribes made them even more dependent upon the arbitrariness of the authorities.[12] As regards leaseholders, they remained subject to the directives of the state or collective farm from which they held their lease and to which they had to sell the larger part of their produce. Whether leaseholds would be economically viable has been widely questioned; but evidently, they were meant to get around the stiffly bureaucratic agricultural directorates, which resisted yielding autonomy to the farms under their control. The rural infrastructure (storage and refrigeration facilities, paved rural roads, and so on) remains profoundly deficient. The wastage attributed to these and related deficiencies has been estimated at 25 percent of total agricultural output in the former Soviet Union, roughly equivalent to the amount of imported foodstuffs. However, leaseholds as conceived under perestroika would be unlikely even to begin to overcome, and might worsen, the low productivity in Soviet agriculture. They would more or less perpetuate the farming of small inefficient plots conceded by Stalin in 1934 to a peasantry that had been beaten by collectivization in the early 1930s, and which subsequently cared little about the efficient operation of collectivized agriculture.

Perestroika was an attempt to open Soviet institutions to the codetermination of the public and revitalized representative institutions. It was undertaken by leaders who had a more generous view of social possibilities than their predecessors; some of them even believed in *The Second Socialist Revolution*, the title of Tatyana Zaslavskaya's passionately argued work. Perestroika meant to ease the dead



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

weight of bureaucracy and expand the reach of autonomous decisions.

## Costs of the Command Structure

Nor could perestroika bring about a fundamental change in the command structure of industry. The reform attempts have probably been rendered moot by the disappearance of the Soviet Union. We broach the subject because it will help us to examine the dysfunction of the centralized planning system.

The Law on State Enterprise, passed by the Supreme Soviet in mid-1987, exemplifies in its ambiguity the institutional obstacles to reform. Reform in the context of the law meant the granting of autonomy to the state enterprise—the work collective was to decide all questions concerning the "development of production."[13] Enterprises could now devise their own annual and five-year plans. They were to operate within the ambit of economic controls, such as value of production, profit (or sales revenue), and so on. But these controls were not to be "directives." However, the law also provided that enterprise activity be based upon the state plan; the control numbers were viewed as guides to the (essentially continued) relationship between enterprise and central plan. More important in ensuring continuity of that relationship was the system of state orders also initiated under the new law, which captured virtually all the output of the state enterprises and in fact did not differ from the plans earlier imposed upon them.[14] Finally, the enterprises remained subject to allocations of investment capital and material supplies—matters that belonged "entirely to the sphere of the command economy."[15] The carrying out of the reforms was assigned to the various branch ministries, although Soviet commentators had offered devastating criticisms of their past work and attitudes.[16] In brief, the practice of central guidance endured although its scope was reduced somewhat.

The nub of the problem was the continued suppression of horizontal, that is, inter-enterprise, direct supplier-customer linkages. Enterprise autonomy in this regard implies freedom to choose among suppliers on the basis of quality, promptness of service, and price. But that is the essence of market relations. Direct links between customer and supplier would have derogated the center's powers to allocate resources. The intent of perestroika was to shift an increasing proportion of supply functions to wholesalers, but for this no substantial work force with the requisite training and service orientation was available. The monopoly of the centralized supply agency (Gossnab) in allocating materials and equipment persisted.

The nodal point of centralized command structure was Gosplan; and the coherence of such planning primarily derived—or was meant to derive—from the material balance system, consisting, for every major item of production, of estimates of supply needs balanced against estimated requirements, all in terms of physical (or volume) units, with allowances being made for underlying production technologies, composition of materials, etc.[17] These allowances, however, could not take account of myriad changes in technologies, work organization, production procedures, details in the composition of materials, and so on, which are normal where enterprises are autonomous.

In a market economy, the coherence and function of the division of labor are achieved socially by those networks, and economically by prices based on costs and validated by demand. The validity (or acceptance) of price relationships is premised on a monetary standard of value (or of account) whose stability, and whose reliability as medium of exchange, is ensured by appropriate financial policies. In the Soviet Union, the central planning system as such existed *above* any monetary nexus, the ruble being used as a mere accounting device. Thus, money was not a measure of value independent of administrative pricing decisions. True, since the mid-1960s, attempts were made to make prices more responsive to efficiency in resource use, but the relevant reforms ". . . consisted in administrative manipulation and rules," that is, the inclusion in prices of markups for fixed and working capital, with only "limited results" achieved.[18]

The theory underlying centralized nonmarket planning and of the material balance system arose from the assumption that the dispropor-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

tionalities inherent in the business cycles of capitalist economies could be overcome by applying "the principle of proportional functioning of the economy," which (according to Gosplan officials) central planning ensures.[19] In fact, the material balance system was "an administrative-operational tool, designed to reshuffle resources between particular users in the light of priorities and bottlenecks"; and because users could not link up with suppliers other than those to which Gosplan and the ministries tied them, disequilibria became endemic to the system.[20] Reforms to move away from the imperative of physical balances and toward the use of economic levers (such as the ascription of value to physical inputs) essentially failed; the values were not determined by the feedback that characterizes markets but were based on the very physical quantities they were supposed to replace, and which in effect continued to underlie the planning targets imposed upon the state enterprises.[21]

We note three features of centralized planning and its material-balance method that contributed to the Soviet economy's decline.

1. *The exclusion of a stable monetary standard obscured true costs and in part accounted for the ultimately unsustainable rise in inputs of capital, materials, and energy per unit of output.* In addition to the administrative-institutional reasons for excluding an objective standard of account and value from the planning system, there was the avoidance of consumer choice that true pricing would spell. "The ruble is an instrument for the influence of the population upon economic plans, beginning with the quantity and quality of the objects of consumption," Leon Trotsky wrote in the mid-1930s.[22] But it was precisely such influence the planners sought to bar and the party never allowed.

2. *A more immediate cause for this authoritarian system's becoming a barrier to the development of the Soviet economy was its growing inability to absorb the information load that the innumerable input-output linkages of modern industry would impose on it.* Among the limits imposed by the information load was the system's difficulty or inability to deal with changes (normally small and step-by-step) that occur at the factory level. Soviet enterprise management was left little initiative to do so; it was constrained not only by output targets but also by detailed specification of material use, product characteristics, and so on. Alec Nove cites a central regulation stipulating the norms for utilizing wire to bale hay on farms.[23] Although some of the detailed rules were abandoned, the list of material utilization rules became longer over time, the aim being the reduction of waste inasmuch as in this setup economic incentives "in no way penalize waste and sometimes even reward it."[24]

3. *The system bred not only indifference to change and improvements but resistance as well.* The following example illustrates this: output of pipe was always measured in tons produced. A lighter, less material-consuming pipe was then developed, but it would have reduced output so measured. Changing the output target measure to length and diameter was approved only after much wrangling with the bureaucracy. But then the new measure was objected to by the customers using the pipe, whose own output was gauged by the weight of the installed materials.[25]

The system thus condemned itself to a kind of stasis with a gradual institutional and doctrinal disintegration.

## Bureaucracy and Monopoly

The Soviet bureaucracy has usually been regarded as the chief impediment to the economy's progress. That is too simple a formulation. Bureaucracies exist in all modern states and industries without necessarily becoming insurmountable obstacles to progress. The Soviet bureaucracy's class interest was tied to a rapid buildup of industry and military strength and to securing a stable social order. Also, the Soviet bureaucracy (along with its surviving republican counterparts) was more than just the parasitical power elite that Trotsky condemned; large parts of it performed vital economic and administrative functions.

Its economic functions might be grouped into three categories. One was the routinization of the tasks believed necessary to achieve



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

economic growth. Another was to implement the planning targets set by the central authorities. The third was to ensure the full utilization of the labor force. This meant that deployment of the labor force was subject to the directives of the center just as material resources were. Leaving aside the question of forced labor, which disappeared after Stalin's death in 1953, Soviet workers seemed to enjoy full employment. But there was a dark side here: full employment was possible largely because mechanization of manual labor was neglected in industry, where such labor accounted for 40 percent of the work force; in construction, where 60 percent performed manual labor; and in agriculture, 70 percent.[26] Such tasks as loading and unloading, shelving, feeding parts to machinery, long mechanized in Western industry, continued to be done by hand in the Soviet Union.

The Soviet bureaucracy's inability to carry out intensive economic development was caused in part by monopolistic industrial structures and by the destruction and subsequent intolerance of the horizontal relationships between autonomous business establishments, so basic to the spontaneous evolution of the social division of labor elsewhere. True, bureaucracies and monopolies in capitalist economies may retard that evolution—the know-how, innovation, spirit of initiative, diffusion of techniques that have marked the growth of modern economies. But bureaucracies and monopolies have not ordinarily prevailed for an entire era of economic history. Schumpeter has argued the *impermanence* of capitalist monopolies, their breachability. Here, his idea applies, but negatively: the Soviet bureaucracy and the monopolistic structures it composed were *unbreachable*.

Alec Nove has written, "Most of the deformations of Soviet planning could be observed in the war economies of the Western states" (during World War II), and quotes Oskar Lange, the Polish economist, as describing the Stalinist economic system as a "war economy *sui generis*."[27] But the war economies of the Western states were superimposed upon economic structures that reasserted themselves once the war was over. By contrast, in the Soviet Union, the "war economy" *created* the structures it required and gave them their permanence. A "war economy" is tantamount to mobilization; the Soviet economy found itself in a permanent state of mobilization. It is characteristic of mobilizations that they draw mostly on existing technologies, exhaust resources, are heedless of long-term needs and social costs, and exact great human sacrifice. This underlay the ultimate ruin of the Soviet economy and the exhaustion of its working people.

To trace the roots of the Soviet bureaucracy's monopoly power, we must turn back to E. Preobrazhensky's *The New Economy* (1926). In this book, Preobrazhensky outlines the model of the industrial system that he called "socialist." It is of interest because together with Nicolai Bukharin, he was one of the two outstanding Soviet economists.

The "state economy of the proletariat," Preobrazhensky wrote, has arisen in the global context of monopoly capitalism. Among lessons this economy can learn from monopoly capitalism is monopoly pricing, which the proletarian state could use as a form of taxation, charging dear for manufactures while buying cheap from the peasantry. That would facilitate capital accumulation in a capital-poor economy. A monopolistic pricing policy was also necessary because the capital gains available to early capitalism, which provided an important source of capital accumulation, were not available now. The development of an efficient agriculture, based on functional cooperatives (that is, selling, purchasing, credit), was seen as taking decades, and "in step with the preparation of the material and cultural conditions for it . . ."[28] Hence, the exploitation of peasantry by way of the state's price policy had to be moderate. And there was an added pressure upon the "proletarian state" to pursue monopolization, which was that today's capitalist economy "stands arrayed in the full panoply of its fundamental advantages, which . . . make it impossible . . . for the socialist form to compete with it on a footing of equality."[29]

The way to overcome these drawbacks—that is, the paucity of internal sources of capital and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the competitive external pressures from superior levels of technology—was to construe the individual Soviet enterprise as part of "the unified complex of the state economy," whose combined strength would back it up. Here, he held up the example of the German economy during World War I, which succeeded in supplying a large army and population in conditions of a two-front war. Preobrazhensky explained this success as being due to the fusion between the capitalist state and the capitalist economy.

For Preobrazhensky, Bukharin, and Lenin, monopoly capitalism was no mere academic category. They conceived it to be immediately relevant to the formative phase of the Soviet economy. Monopoly capitalism, moreover, was conceived as a function of modern technology, which, so Lenin held, required the concentration of industrial and much agricultural production in a few giant establishments.[30]

All this was a misestimation of the capitalist economy as an *industrial* organization. Eduard Bernstein, an intellectual leader of German social democracy, basing himself on extensive data covering many countries, had already in 1899 argued the prevalence of smaller businesses, whose existence ran counter to the old Marxist theory of the inevitable concentration of capitalist production.[31] The continued viability of smaller firms, he wrote, arose from the following factors: the division of labor between them and larger, less flexible firms; the smaller firms' ease of accessibility to consumers; the declining costs of materials and equipment that the very operation of large-scale industry brought about; the availability of labor displaced from large industry; and the often ample availability of capital.[32] The Bolsheviks, however, scorned such "revisionist" arguments.

Notwithstanding Bernstein and much other evidence, the closure or consolidation of smaller enterprises was in the Soviet Union pursued "ruthlessly" (the term is Trotsky's) after about 1924. Deep into the 1920s consumer goods output had depended vitally upon peasant households and handicrafts, but by the mid-1930s, "the Soviet Union became the only country in the world where the small independent producer of goods and services represented an insignificant segment of the economy."[33] Nor was efficiency the only reason for closing or consolidating small enterprises. Their suppression facilitated central planning and the political control that went with it. It also spelled the virtual elimination of inter-enterprise linkages unsupervised by the center.

## The Weight of Dogma

It is undeniable, nevertheless, that industrialization in the Soviet Union achieved a limited measure of success. The question remains why success could not be sustained. Alec Nove notes the great sacrifices that marked the Soviet industrialization drive; the terrible violence against the peasantry that accompanied forced collectivization of agriculture; the forced labor used to construct key infrastructure projects; the purges of the 1930s, which, according to a Soviet source, "caused an immense loss of economic cadres and disorganized the normal work of industry."[34] "Yet," Nove writes, "a great industry was built," and "the success of the Soviet Union, albeit by totalitarian and economically inefficient methods, in making itself the world's second industrial and military power is indisputable."[35] Like no one else, Nove has analyzed the numerous deficiencies of the command economy, yet that these deficiencies would crystallize into large-scale failure he could not foresee. The force with which the essential *political* ingredient of this crystallization would assert itself was unpredictable.[36]

The Soviet bureaucracy abhorred all structural change as a threat to its position and privileges. It sought to repress it by the controls inherent in the centralized planning system, by economic and political pressure, or by police measures. It resisted decentralization. It left intact the disincentives to innovation that inhered in the quantitative target planning system. And it prescribed ever more detailed planning targets.[37] The more detailed the instructions or indicators, the less likely any deviation from the prescribed course of economic activity and the lower the "risk" of "spontaneity." "Spontaneity has long been regarded as a bad thing in Soviet history; it is the opposite of control, and planning requires control," wrote Joseph Berliner.[38]

Furthermore, the economic thinking that



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

evidently guided much of economic policy in the Soviet Union was often mistaken or wrong-headed. We saw this in the adoption of "monopoly capitalism" as a kind of model for the Soviet economy. Equally important, Soviet economic thinking adhered to a notion of "productiveness" that was confined to the production of means of production and capital investment projects. This was by no means a mere theoretical proposition; the dogmatism that informed Soviet economic policy led to dire consequences. The neglect of the Soviet transportation network, for example, is attributable largely to its not having been seen as directly "productive." More strikingly, the defining of trade as "unproductive" in an economy where the household had long ago ceased to be self-sufficient led to a totally inadequate distribution system, which contributed to consumer goods shortages and low productivity. The relegation of health and educational services to "unproductive" status tended to justify, in the eyes of Soviet policy makers, their notorious underfinancing.[39] Finally, the Soviet bias toward heavy industry and extensive (resource-using rather than -saving) investment, the utter lack of balance between heavy and light industries, with the former allocated up to 90 percent of total manufacturing investment funds and the latter the pitiful remainder, again exemplifies Soviet conceptions of "productiveness."[40]

### The Stalinist Model: Gigantomania

Industrial expansion in the Soviet Union followed what has been termed the Stalinist model. This model was defended as ideologically and materially appropriate well into the 1980s. It gave priority to the construction and expansion of heavy industry—steel, coal, electrical generation and distribution, machinery, trucks, tractors, construction equipment. The defense of this model reflects both the material interest of the party and its academic allies and their inflexible attachment to the dogma of "productiveness," by which perhaps the more conscientious among them rationalized their interests. That goes also for Gorbachev: he viewed as central the re-creation of Soviet industry on the basis of science and electronics and the upgrading of machinery and equipment to "world standards." The greater emphasis he wanted to give to consumer goods output was a concession without a commitment.[41]

The priority of heavy industry in Soviet planning was not (so far as I know) originally justified as a foundation of military power. Like the notion of monopoly capitalism, it derived from a simplistic perception of capitalist industrialism in the early twentieth century. It was adopted largely out of ideological motivations: Soviet industry was to overtake American capitalism, and thus demonstrate its superiority over the anarchy of the free market.

Heavy industry was built in a manner profoundly wasteful. Waste and inefficiency have been ascribed to the "backwardness" of the labor resources available in the early days of Stalinist industrialization; but they persisted long after such backwardness had become a thing of the past. The pattern set in the 1930s has been termed "gigantomania," and the term was still used by Gorbachev in a speech he delivered in 1985.[42]

In the 1930s and after, Soviet industries were created on a scale often far beyond the point of the lowest (most economical) cost per unit of output. The "giantism" associated with scale had political and quasi-technical reasons. It was part of the effort to outclass the United States; it was also to impress the world with Soviet industrial muscle. Furthermore, it seemed easier to plan for a small number of larger plants than for large numbers of smaller plants. At any rate, the source of the much admired American efficiency was seen in America's "big" plants. Yet, in reality these efficiencies often stemmed from standardization, specialization, and from the linkages to suppliers and wholesalers with their own access to know-how and customer needs. Efficiencies could be attained—as American consultants to the Soviet regime advised—in smaller plants and by means of subcontracting.[43] But Soviet planners eschewed the horizontal linkages that smaller plants and subcontractors imply, since that would have meant the economy was escaping their control.

In the United States—and this bears on the dated view the Soviets had of American industry—plant size had actually been decreas-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ing. Between 1914 and 1937 when, according to John Blair, "the large plant was capturing the imagination of observers everywhere," average plant size measured in terms of employment declined in one third of the 204 industries for which comparable data were available. Between 1947 and 1963, a period of strong economic expansion, the number of manufacturing plants with 2,500 employees or more declined by 13 percent.[44] American enterprises in the machine building and metal-working industries averaged seventy-four workers in 1958; the comparable enterprise in the Soviet Union averaged 2,608 in 1963. Such Soviet giantism was inimical to the adoption of decentralizing technologies, such as are to be found in electronics, plastics products, computer-controlled manufacturing processes, and so on.[45] The creation of overly large projects was essentially an outcome of the command economy. But their productivity probably began to decline as early as thirty years ago; that is, output per unit of input of labor, materials, and capital lessened steadily. It is true that declines in the rate of productivity advance also occurred in the United States and elsewhere after about 1970. But here, stringent capacity cutbacks of the least efficient operations as well as technological and organizational innovations (often to the detriment of the affected workers) in time reversed the trend. No such reversal took place in the Soviet Union. The required enterprise autonomy and the learning processes such autonomy affords were lacking.

## An Incoherent Economy

Among the functions of the Soviet bureaucracy we listed the routinization of tasks necessary to promote the expansion of output—"year after year . . . from 5-year plan to 5-year plan," as one observer put it.[46] The statement needs amending. Economic growth refers to the measured expansion in a nation's total output. Inasmuch as the rate of output growth in the Soviet Union was steadily diminishing, what the bureaucracy truly routinized was not output growth so much as a steady buildup of inputs, especially of capital equipment and construction projects, energy, and materials. These inputs have been rising relative to the output they produce for a quarter century, perhaps more.

Striking examples of declining capital productivity are given by Soviet economists N. Shmelev and V. Popov in *The Turning Point*.[47] Output per unit of capital input in Soviet industry dropped by more than one-third between 1960 and 1985; by three-fifths in construction; and by seven-tenths in agriculture. In construction, "one fifth of the construction equipment stands idle, and for many years, 70 to 90 percent of the capital investment in construction has remained unfinished. It takes 11 to 12 years . . . to carry out a construction project, in contrast to $1\frac{1}{2}$ to 2 years everywhere else in the world."[48]

Where, then, is the coherence one expects from economic planning? We might reply with Gorbachev that "life" gave the answer: there was no coherence. Users, say, of tractors had no choice but to accept delivery, even though this meant that the excess tractors would stand idle. The supplier cared only to fulfill the planning target. Costs were not a constraint for either the supplier or the user, enterprise budgets being "soft," that is, deficits could be covered by frequently nonrepayable credits. The system led ultimately to ruinous waste of resources and neglect of quality.

Here, a brief explanation concerning productivity. Growth in the real national product or income hinges upon two kinds of increases: one consists of tangible or physical inputs, such as employment and hours worked; the capital services rendered by the stock of machinery, equipment, and structures; and materials and fuel. These inputs are readily calculable. The other variant is productivity—the efficiency with which physical inputs are transformed into output. Efficiency subsumes intangible ways of saving labor, capital services, materials, and fuel per unit of output. Efficiency is achieved to an extent by instituting economies: for example, by compelling fewer workers to produce the same output. But gains in efficiency arise mostly from new or improved technologies, or from new ways of organizing work, plant layout, or delivery systems. These factors, mostly due to advances in knowledge, are not calculable; their magnitude, however, is



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

indicated by the difference in real value over time between physical inputs and outputs. Thus, in the United States, the real national product rose at an average annual rate of 2.9 percent between 1929 and 1982; two-thirds of the rise originated in increased physical inputs, mainly employment; the remaining third was attributable to an improvement in productivity, with advances in knowledge judged to have been the most important factor.[49]

In the Soviet Union, even in years of vigorous economic growth (prior to about 1965), mainly "traditional" inputs fueled such growth. The intangible factors that composed productivity are estimated to have come to one-half or less the amount calculated for the American economy.[50] The material balance system and the command hierarchy that had created it stood as a barrier.

The technological backwardness of Soviet industry has been widely documented; a few examples will suffice.[51] Military technologies and innovations were often on a par with those of the West. The development of military technology is linked to well-defined objectives whose effectiveness can be pretested. But the objectives of the development of *industrial* technologies are as varied as the industries and production processes to which they are directed, and the markets their outputs serve. They cannot be subjected to the commands of the planning bureaucracies because these bureaucracies are unable to master the necessary knowledge. Furthermore, industrial innovations, unless specific to the establishment adopting them, cannot usually be pretested. They require links to suppliers to make sure of relevant delivery capacities; to customers, to ascertain that *their* needs are more readily met than before; and the availability and proper array of skills and know-how internal to the innovating enterprise. We need hardly repeat that the precondition for all this—namely enterprise autonomy—was lacking in the Soviet Union.

It is true that the Soviet Union boasted more than four times as many degree engineers as the United States. But observers have reported that the Soviet engineer's training and experience is narrower and levels of skill lower than his or her U.S. counterpart's, at times even lower than those of a master mechanic.[52] Yet, while weakness in industrial engineering is a proximate cause of a lack in innovation, it is the *institutional* impediments that prevented the Soviet engineer's native abilities from flourishing.

An indication of technological backwardness is the low rate of retirement of obsolete industrial machinery, equipment, and structures that prevailed in the Soviet Union. These rates have been estimated to run to only about half of those in the United States. Alec Nove writes that in the 1970s, "it was hoped that greater effectiveness would be achieved by spending more on re-equipping existing factories than spending on totally new ones. . . . This did not happen to the desired extent, and we saw a decline in the already grossly inadequate rate of retirement of obsolete machinery." That rate in fact had been falling over the previous twenty years, such that the service life of the Soviet stock of industrial capital averaged an estimated forty-seven years, compared to seventeen years for the United States.[53]

Operating with obsolete equipment is generally more wasteful of human labor, materials, and fuel than operating with its modernized replacement. For example, between 30 and 70 percent of the metal used in machine-tool manufacture in the Soviet Union was wasted as filings because of obsolete technology. Insufficient production of plastics compels the use of fourteen to sixteen million tons more metal than would otherwise be called for.[54]

Innovations, the embodiment of technological and organizational changes, complicate planning, even vitiate it, because their effects elude prediction and depend on know-how the central planner can't assimilate. Planning is facilitated, the enterprise's targets are more readily met and bonuses for "overfulfillment" of assigned targets more easily earned if long runs of standard products are ground out. Innovations may well cause slowdowns in production, owing to complications in dealing with the new learning curve. Moreover, management cannot be assured of receiving the appropriate supplies



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

that innovations may require; it has no choice of supplier, which is made by its supervisory agency. Finally, no benefit may accrue to the enterprise if, as was likely, the increment in production that the innovation enables is incorporated in future production targets, without any change in allowed compensation. In sum, innovative managers as well as workers risked partial nonfulfillment of the plan, and hence income loss and penalties. They often stood to lose rather than to gain from innovation.[55]

There was also a *disrupted* tradition of innovation in Russia. Pre-revolutionary Russia had a record of significant innovations in a number of key industries, and by 1916 technology in many of these was on a par with world standards.[56] Although many managers, technicians, and skilled workers emigrated after the Bolshevik revolution, many stayed, with the encouragement of Lenin. However, beginning in the late 1920s, there began purges of technical experts and denunciation of engineering personnel as "wreckers." "This had an inhibiting effect on technological innovation. . . . One can trace at least some of the most serious problems of the Soviet economy, including lags in agricultural output, lags in automation of industrial processes and the use of computers, to the negative atmosphere created by the political authorities during the thirties."[57]

Joseph Berliner writes that "new combinations" must emerge to suit the requirements of new technological processes—new organizational setups, formed either by independent entrepreneurs or corporations. (The recent split-up of IBM into several autonomous design, production, and marketing divisions is a striking example of the "Schumpeterian" organizational behavior Berliner has in mind.) "Central planning, however, leans toward uniform structures. Once a certain organizational structure is decided upon for a certain enterprise, a statute is issued that requires all enterprises of that type to employ that structure."[58]

Diversity of structure and smallness of enterprise size have clearly fostered innovation. ". . . [S]mall businesses are efficient performers of innovation . . . [and] contribute a disproportionately greater share of product innovation and bring these products to market faster than large business. . . . Small firms produce 2.5 times as many innovations as large firms, relative to the number of people employed."[59] In the United States small firms contributed one half of the "salient" innovations in machine manufacturing; plant maintenance, sanitation, and design; and instrument and control manufacturing.

It is remarkable that recent developments in the Soviet Union's industrial structure ran directly counter to those in the United States and elsewhere. Industrial reorganization in the Soviet Union since 1973 "was an attempt to concentrate power in the center of the decision-making hierarchy," resulting in a "massive merger movement." By contrast, in the OECD countries, the employment share of smaller manufacturing firms has been rising, even as manufacturing employment as a whole has receded.

The planning bureaucracy was averse to all diversity that threatened slippage of its control; but technological change, of which innovations are the vehicle, compels diversity of structure and introduces incalculable elements into the centralized planning on which the command structure of the Soviet economy depended.

## A Summary

In the former Soviet Union, all economic agents were controlled by the political center, closely identified with the Communist party of the Soviet Union (CPSU). The political center swiftly lost authority as democratic forces, opened up by glasnost and perestroika, asserted themselves. The integrative organs of the economy, articulated by the economic command hierarchy and the planning system they imposed, largely fell apart—albeit not the industrial enterprises on which they were based. The causes of the Soviet economy's failure are rooted in policies, institutions, and dogmas tracing back sixty to seventy years. They include the following:

- a steady decline in productivity—that is, output per unit of input of labor, capital, materials, and



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

fuel has kept shrinking over the past quarter century;

- an inability to adopt, or adapt to, technologies and innovations that would make for more intensive uses of inputs, that is, that would save rather than expend inputs per unit of output;
- the perpetuation of a planning system that mandated physical quantities and volume as planning targets upon industry, construction, and agriculture, and proved unable to enforce norms of quality, unmanageable in a central planning system;
- a system predicated upon a rigid monopolistic structure of industry, consisting of mostly overlarge enterprises, all hierarchically tied to the center, unable to develop licit inter-enterprise ties and unable, furthermore, to rely on overlapping (nonexistent) networks of smaller firms as suppliers of goods, services, information, and spare capacity;
- an unwillingness to adopt a monetary nexus embodying a stable standard of account as a parameter of the planning system thus preventing any true judgment of relative values on the part of consumers and foreclosing rational calculation of input costs, thereby contributing to waste and excess of inputs and capital investment;
- jealous control of the economic planning monopoly and intolerance of autonomous actions by enterprise management; as well as insistence on the priority of heavy industry and an inability to diversify, and thus to modernize, Soviet industry, and with it the occupational structure of employment;
- the constriction of industries supplying consumer goods and services, largely owing to an outmoded "productiveness" dogma that implied the priority of producing means of production, narrowly defined; that could be enforced chiefly by suppressing the protest movements of working people and their advocates; and that was in large part responsible for the persistently low productivity levels of the Soviet work force.

The social conflicts that beset the Soviet Union manifested themselves in a degree of corruption that infected perhaps all strata of Soviet society, and that was associated chiefly with the never-ending shortages that the central planning system bred. It was the deep revulsion against such pervasive corruption that moved people like Zaslavskaya to ally themselves with Gorbachev and his unsuccessful effort at restoring what they conceived to be socialism.

Asked why he would promote the failed British general whose troops had been defeated by the Japanese in Burma during World War II, Winston Churchill replied that it was not the failure but the quality of the effort that counted. Gorbachev's did have grandness of quality. □

## Notes

[1] Hansgeorg Conert, *Die Oekonomie des unmoeglichen Sozialismus*. (The Economics of Infeasible Socialism); *Krise und Reform der sowjetischen Wirtschaft unter Gorbatschow* (Crisis and Reform of the Soviet Economy under Gorbachev) (Muenster, Germany: Westfaelisches Dampfboot, 1990), 127.

[2] Alec Nove, *An Economic History of the U.S.S.R.* (London: Penguin, 1989), 394. Central Intelligence Agency and Defense Intelligence Agency, *The Soviet Economy Stumbles Badly in 1989*. Presented to the Technology and National Security Subcommittee, Joint Economic Committee of Congress, 20 April 1990, Table C-4.

[3] Central Intelligence Agency, *Eastern Europe: Long Road Ahead to Economic Wellbeing*. Presented to, as in n. 2, May 16, 1990, p. 4.

[4] Male and female life expectancy in the USSR: 64.2 and 73.3; in OECD countries: 71.6 and 78.0. Infant mortality in the USSR: 25.1 per 1,000 live births; in OECD countries: 8.4. Sources: International Monetary Fund, World Bank, and others. *The Economy of the USSR. Summary and Recommendations* (Washington: The World Bank), Appendix Table III.

[5] Anders Aslund, *Gorbachev's Struggle for Economic Reform* (Ithaca: Cornell University Press, 1991), 183.

[6] ibid., p. 186.

[7] ibid., p. 196.

[8] Gregory Grossman, "Sub-Rosa Privatization and Marketization in the USSR." *The Annals* (January 1990), 44.

[9] ibid., p. 47. "[G]oods are massively stolen."

[10] Nicolas Spulber, *Restructuring the Soviet Economy: In Search of the Market* (Ann Arbor: The University of Michigan Press, 1991), p. 220.

[11] Grossman, op. cit., p. 48.

[12] Conert, op. cit., pp. 190–1.

[13] ibid., p. 148; see also Aslund, op. cit., p. 126 ff.

[14] Aslund, op. cit., p. 127.

[15] ibid., p. 126.

[16] Conert, op. cit., pp. 143, 148 ff.

[17] Alec Nove, *The Soviet Economic System*, third edition (Boston: Unwin, Hyman, 1988), 23.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

[18] Spulber, op. cit., p. 65.

[19] Quoted in Aslund, op. cit., p. 125.

[20] Nove, *System,* op. cit., p. 24.

[21] Spulber, op. cit., p. 61.

[22] Leon Trotsky, *The Revolution Betrayed* (New York: Pioneer Publishers, 1936), 76.

[23] Nove, *System,* op. cit., p. 28.

[24] ibid.

[25] ibid., p. 88.

[26] Ed A. Hewett, *Reforming the Soviet Economy* (Washington D.C.: The Brookings Institution, 1988), 91. See also, Guy Standing, ed., *In Search of Flexibility: The New Soviet Labour Market* (Geneva: International Labour Organisation, 1991), essays by Y. Antosenkov, especially p. 64, and by A. Samorodov, especially p. 145.

[27] Alec Nove, *History,* op. cit., p. 387.

[28] Leon Trotsky, op. cit., p. 73.

[29] E. Preobrazhensky, *The New Economy* (reprinted by Clarendon Press, Oxford, 1965), 127.

[30] Quoted in L. Slomonski, "The Scale of Soviet Industrial Establishment, 1928–1958: A Study in the Theory and Practice of Economic Planning" (Ph.D. diss., Columbia University, 1960), 71.

[31] Eduard Bernstein, *Evolutionary Socialism* (New York: Schocken Books), p. 59 ff.

[32] ibid.

[33] Adam Kaufman, *"Small-scale Industry in the Soviet Union,"* Occasional Paper 80 (New York: National Bureau of Economic Research, 1962), 5.

[34] Alex Nove, op. cit., p. 228.

[35] ibid., p. 387.

[36] See Alec Nove, *The Soviet Economic System,* third edition (Boston: Unwin, Hyman, 1988).

[37] Ota Sik, *Plan und Markt im Sozialismus* (Vienna: Fritz Molden, 1967), 90. Nove, *System,* op. cit., pp. 28, 83.

[38] Joseph Berliner, "Entrepreneurship in the Soviet Period: An Overview," in G. Guroff and F.V. Carstensen, eds. *Entrepreneurship in Imperial Russia and the Soviet Union* (Princeton: Princeton University Press, 1983), 197.

[39] Ota Sik, op. cit. There are many references to this problem.

[40] Nicolas Spulber, *Restructuring the Soviet Economy: In Search of the Market* (Ann Arbor: The University of Michigan Press, 1991), 56.

[41] ibid., p. 83.

[42] ibid., p. 76.

[43] L. Slomonski, op. cit., p. 158.

[44] John M. Blair, *Economic Concentration, Structure, Behavior, and Public Policy* (New York: Harcourt, Brace, 1972), 99.

[45] ibid., p. 682.

[46] Gregory Grossman, "Soviet Growth: Routine, Inertia, and Pressure," *American Economic Review,* vol. 50, #2, p. 65.

[47] N. Shmelev and V. Popov, *The Turning Point* (New York: Doubleday, 1989) 138–141.

[48] ibid., p. 142.

[49] Edward F. Denison, *Trends in American Economic Growth, 1929–1982* (Washington: The Brookings Institution, 1985), 111.

[50] See the discussion and references in Ed A. Hewett, *Reforming the Soviet Economy,* op. cit., n. 44, p. 71.

[51] See Ronald Amann and Julian Cooper, *Technical Progress and Soviet Economic Development* (Oxford: Basil Blackwell, 1986); and Antony C. Sutton, *Western Technology and Soviet Economic Development, 1945 to 1965* (Stanford: Hoover Institution Press, Stanford University, 1973).

[52] A.C. Sutton, op. cit., p. 405.

[53] Shmelev and Popov, op. cit. n. 27, p. 145.

[54] ibid., p. 130.

[55] Joseph Berliner, *The Innovation Decision in Soviet Industry* (Cambridge: The MIT Press, 1976), 518.

[56] A.S. Sutton, op. cit., p. 409.

[57] Kendell E. Bailes, *Technology and Society under Lenin and Stalin.* (Princeton: Princeton University Press, 1978), 420.

[58] Joseph S. Berliner. "Entrepreneurship in the Soviet Period . . . ," op. cit., p. 197.

[59] Ed A. Hewett, op. cit., pp. 247–249; Zoltan J. Acs and David B. Audretsch, *"Small Firms and Entrepreneurship: A Comparison Between West and East Countries"* (Discussion Papers, University of Baltimore, August 1990), 32.

[60] U.S. Small Business Administration, *The State of Small Business: A Report of The President* (Washington: U.S. Government Printing Office, 1983), 122–124.

[61] On the role of small enterprise, see also Nathan Rosenberg and L.E. Birdzell, *How The West Grew Rich: The Economic Transformation of the Industrial World* (New York: Basic Books, 1985).



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Murray Hausknecht**

# PATRIOTIC CRIME: IRAN-CONTRA

There is a touch of farce to some incidents in the Iran-contra affair: Robert MacFarlane carries a cake from a Tel Aviv bakery as a gift on his secret mission to Teheran; Fawn Hall smuggles official documents out of Oliver North's office in the waistband of her panty hose. These are comforting memories because their sheer looniness suggests Iran-contra is an exception to the normal course of events even in the twilight zones of international politics.

This muting of the more serious implications of the affair is also apparent in the report of the first official inquiry by the Tower Board, which blamed President Ronald Reagan's "management style." Senators William S. Cohen and George J. Mitchell in *Men of Zeal* draw a related conclusion. Their title is taken from a Justice Brandeis decision: "The greatest dangers to liberty lurk in the insidious encroachments by men of zeal, well-meaning but without understanding." Excessive enthusiasm is substituted here for "management style"; that is, Iran-contra can be traced to the predispositions of its leading actors.

The most complete description, and the one that will remain the best and most authoritative for some time to come, is Theodore Draper's *A Very Thin Line*.* Draper adopts Casper Weinberger's phrase, "people with their own agenda," and he says that it "sharply expresses what was most significant about the Iran-contra affairs—the takeover of government policies by a few strategically placed insiders infatuated with their own superiority and incorruptibility." Here again a major emphasis falls on the personal characteristics of the protagonists.

Now, there *was* a small group that functioned like a junta, to use Draper's term. But to focus on this makes the affair seem like something outside the mainstream of American society. It implies that if there had been no MacFarlane, John M. Poindexter, and Oliver North, Iran-contra would not have happened. It does not consider the structure of the National Security Council (NSC) staff and the role played, within that setting, of the beliefs and attitudes that the leading actors brought with them from their professional backgrounds. Nor does it consider the extent to which Iran-contra resembles everyday practices in other institutional spheres. A full understanding of the Iran-contra affair requires that it be placed within a broader social and cultural context.

When told of the indictment of Clair E. George, a high-ranking CIA official at the time of the affair, the head of the Association of Former Intelligence Officers complained, "Here is a man who served his country in danger who is essentially being pilloried as a common criminal. . . . It's wrong." Ray Cline, a former deputy director of intelligence, didn't think that "people like George should be indicted. The only thing they have ever been accused of was lying to Congress, which is a very delicate issue and isn't criminal in my opinion." These comments echo North's shock on first hearing that he might face criminal charges: "it had never entered my mind that this could be contemplated as criminal behavior." The responses resemble the classic reaction of a Westinghouse executive convicted of price-fixing in 1961. "Illegal? Yes, but not criminal . . . I assumed that criminal action meant damaging someone, and we did not do that . . . I thought that we were more or less working on a survival basis . . . to keep our

* *A Very Thin Line: The Iran-Contra Affairs*, by Theodore Draper. New York: Hill and Wang, 1991. 690 pp. $27.95.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

plant and our employees." This suggests that Iran-contra is another instance of a more familiar phenomenon.

A sociologist, James William Coleman, defines white-collar criminals as persons who commit "violations of the law . . . in the course of a legitimate occupation" and who hold "respected positions in their communities." By analogy, we may think of Iran-contra as "patriotic crime," a type of white-collar crime in which violations of the law are committed by people holding respected positions in the community who act not to further their own economic interests but for *the benefit of the nation out of altruistic motives*. Although North controlled the distribution of enormous sums of money, Draper notes that "he seems to have permitted the money to flow freely to everyone but himself." Personal recognition may result from the action, for example, military promotion, but it will not result in significant economic gains. That is to say, even in a capitalist society there are spheres of life where success is not measured solely in economic terms.

To understand white-collar crime it is necessary, following Coleman, to examine "the work related subcultures that expose members to a particular worldview while providing some degree of insulation from the generally accepted definitions of reality." In this sense the military subculture since World War II has been a fertile soil for patriotic crime.

The justification for the existence of armies is that a nation is always threatened by enemies or potential enemies. It is a view of the world highly congruent with the cold war mentality. It is reinforced by an institutional investment in holding on to the idea of a powerful enemy, since it means that the armed forces have to continuously expand in order to maintain the necessary state of readiness. It is also reinforced by the relative isolation of the military which insulates them from other "definitions of reality."

MacFarlane, Poindexter, and North, whose entire adult lives were spent in the Navy and Marines, are products of this culture, wholly committed to cold war perceptions of the world. In addition, the Reagan White House was a hermetic environment. MacFarlane, for example, initially doubted whether the NSC staff should be used against the Sandinistas, and when he was asked why he didn't tell Reagan of his doubts replied, "To tell you the truth, probably the reason I didn't is because if I had done that, Bill Casey, Jeane Kirkpatrick, and Cap Weinberger would have said I was some kind of commie."

When Congress challenged cold war policies, it rubbed an old sore in the relationship between the armed forces and the civilian establishment. The military is always convinced that Congress cannot appreciate the nation's risks, even in times of actual war—a distrust intensified by Vietnam. The Boland Amendments, which limited military aid to the contras, were simply another instance of Congress's "ignorance of the world." The contempt for Congress made it easy for Poindexter and North to lie to its committees.

Nor was Congress the only object of Poindexter's contempt. As a professional military man he was suspicious of civilian bureaucracies; in his testimony before the Hearings Committees Poindexter said that "the bureaucracy" was unwilling to recommend "high-risk operations" because of "their fear of failure," and, therefore, "I feel that in the very real world we live in, the NSC staff has got to be the catalyst that keeps the process moving forward. . . ." A president who openly expressed his contempt for "the bureaucracy" and defined Congress as an enemy played into these institutional prejudices.

The structure of the White House, the Executive Office of the President, permitted the free play of those prejudices. Although technically the NSC staff belongs to the National Security Council, it has become since Dwight Eisenhower's time part of the president's staff. But the staff is effectively shielded from scrutiny; there is, for example, no mandated congressional oversight. Only on occasions of major scandals, for example, Watergate, do the public and Congress get glimpses of how the Executive Office functions.

The insulation of the staff permitted North to create what was essentially "a miniature CIA.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

It had the advantage of being made up of private citizens who did not have to testify before congressional committees. . . . " Even North's own position "was created for him alone, insulated from the rest of the staff." He reported only to MacFarlane and later Poindexter, and so "was free from the usual bureaucratic restraints of a staff position."

The structure easily allowed Poindexter to claim that the staff's "only loyalty is to the President," which is a conventional bureaucratic outlook in spite of his self-image as a member of "a breed apart," as Draper characterizes the junta's self-assessment. More important, the relative autonomy of the Executive Office permitted Poindexter and North to *act* on their professional prejudices.

North, Poindexter, and MacFarlane functioned, even within the White House, as a sort of secret society. Secrecy has its own dynamics. In a classic essay Georg Simmel wrote that the possession of a secret "gives one a position of exception," a position that emphasizes separateness from others. The sense of distance a group feels makes it easy for it to pursue its own ends without consideration for others. Thus, in addition to their professional biases and the freedom offered them by an insulated White House, the secrecy of their own actions conspired to protect them psychologically from the constraints that other views of reality impose.

These circumstances encouraged recourse to a code of conduct similar to that found in the CIA and other institutional spheres. In *Folded Lies,* an analysis of the white-collar crime of bribery, a legal scholar, W. Michael Riesman, points out that along with the legal and ethical codes there is an "*operational code* . . . that tells 'operators' when, by whom, and how certain 'wrong' things may be done. An operator is someone who knows the code in his own social setting—certain lawyers, some police officers, some businessmen, an agent, a kid at school." Although such acts are typically "illegal," they are regarded as "licit" or "lawful" by operators. Thus Clair George orders a subordinate to lie to a congressional committee; a former deputy director of the CIA thinks that "lying to Congress . . . is a very delicate issue and isn't criminal"; and North tells the Hearings Committees, "I am not ashamed of anything in my professional or personal conduct"—all are testifying to the propriety of actions legally or ethically impermissible but approved by an operational code. The operator does not see his actions, Riesman says, as "a violation of an oath to serve an organization, but rather the ultimate affirmation of that loyalty."

The combination of elite status and possession of secret information about "the real world" gave the junta, in the words of Draper's shrewd insight into North's self-image, a sense of being part of "an embattled elect." An elect is chosen and enlightened; others exist in a world of darkness from which they must be rescued by the elect. Indeed, their oath of loyalty demands that they rescue others from darkness.

Operational codes are central not only to intelligence agencies but also to more ordinary organizations. Executives convicted in the 1961 prosecution of price-fixing in the electrical equipment industry "almost invariably testified that they came new to a job, found price-fixing as an established way of life, and simply entered into it as they did into other aspects of their jobs." Such ways of life go hand in hand with patterns of "consensual ignorance."

This notion describes a situation in which members of a group deliberately avoid knowledge of an illicit act committed by one of their own number. Robert Gates, for example, at the hearings on his first nomination to head the CIA in 1986, was asked about his response to being told by a colleague that money was being diverted to the contras by the White House. "[M]y first reaction was to tell Mr. Allen that I didn't want to hear anything more about it. That I didn't want to know anything about the funding for the contras."

A more significant form of consensual ignorance occurs when superiors, nominally responsible for enforcing the rules, structure a situation so that they can maintain a willful ignorance of a subordinate's illicit actions. In his *Moral Mazes* Robert Jackall says that among corporate managers



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

> [s]uperiors do not like to give detailed instructions to subordinates . . . pushing down details relieves superiors of the burden of too much knowledge, particularly guilty knowledge. . . . A superior will say to a subordinate, for instance, "Give me your best thinking on the problem with [X]." When the subordinate makes his report, he is often told: "I think you can do better than that," until the subordinate has worked out all the details of the boss's predetermined solution, without the boss being specifically aware of "all the eggs that have to be broken."

Consensual ignorance, a dark thread running through all of Iran-contra, is important for understanding Reagan's role in the affair. In 1984, after the passage of the Boland Amendments, Reagan instructed MacFarlane "to make sure to keep the contras together 'body and soul.'" It was a typical Reagan order; he "disliked matters of detail and was satisfied to make his wishes known without giving his subordinates a clear idea of how to carry them out." MacFarlane later claimed that "the President had made clear he wanted a job done," and, since the Boland Amendments made it impossible for the Defense Department or the CIA to do the job, it fell to the NSC staff. MacFarlane probably never did tell Reagan everything that North did, thus sparing Reagan guilty knowledge of North's broken eggs.

Another instance of consensual ignorance occurred at a later stage of the affair when Poindexter did not inform Reagan that North was diverting funds to the contras. "If we can believe Poindexter, once Reagan gave him a general mandate, he did not tell Reagan how, and Reagan did not bother to ask him how, it was being implemented." As Poindexter later told the Hearings Committees, after working in the White House very closely with the President for many years, "I was convinced that I understood the President's thinking on this and that if I had taken it to him that he would have approved it." As a long-time bureaucrat Poindexter knew just how much superiors had to be told, and even Ronald Reagan was enough of an executive to know the benefits of remaining ignorant of a subordinate's action.

All this shows the fallacy of believing that the absence of a "smoking gun" acquits an executive of responsibility for an illegal action. "Smoking guns" may not exist simply because executives deliberately avoid detailed orders that might provide them with guilty knowledge. Thus, to claim that Reagan must not have known of the diversion of funds because there was no "evidence of such complicity," as Edwin Meese still contends in a letter to the *New York Times* (August 1991), makes sense only to those who ignore the dynamics of modern organizations.

One of Draper's conclusions is that Iran-contra was brought on by the belief that "the president and his agents can do anything they please in foreign policy. This idea percolated down simplistically to Poindexter and North and made them feel that they were empowered to act with impunity in the president's name." This is true, but it misses something close to the heart of the matter.

In his analysis of bribery Riesman points out, "There is nothing inherent in capitalism that would prohibit trusts, price-fixing, kickbacks or bribery. . . . The critical question in a capitalist calculus is whether such actions are efficient in terms of production or profit." The same idea is expressed by Coleman, who says that an analysis of white-collar crime "must be rooted in the political economy of industrial capitalism." In a capitalist society business people are exposed to a cultural environment that *encourages* white-collar criminality. Patriotic crime must be seen in a similar fashion as having its roots in patriotism.

Patriotism is a passionate devotion to one's country. Passion, though, submerges both reason and a recognition of limits: "My country, right or wrong" is an inherent simplistic tendency of patriotism. But there can be a tempered patriotism that recognizes that even love of country has bounds that must be respected. Some can more easily recognize and abide those limits than can others. It is no accident that it was a military man who first proclaimed, "My country, right or wrong"; the military profession is highly vulnerable to the simplicities of patriotic passion. In the Reagan



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

White House there were few constraints on this simple-minded patriotism.

But the Reagan White House was not unique in this respect. In 1972 the Nixon campaign, afraid that the Democrats possessed information damaging to his reelection, instigated the break-in of the Democrats' party offices. Gary Sick reports in *October Surprise* that in 1980 the Reagan-Bush campaign was worried that President Carter would win by negotiating the release of the Teheran embassy hostages just before the election. To receive early warning of an "October surprise," Richard V. Allen, who later became Reagan's first National Security Adviser, organized "an extensive and sophisticated intelligence operation" inside the government. By October, the campaign had "agents . . . [in] the Pentagon, the intelligence agencies, the State Department, The White House . . . providing regular intelligence reports on the most highly classified policies and operations." The theft of Carter's briefing book before the debate with Reagan was another result of this operation. Even if one overlooks, as not proven though highly probable, the agreement with Iran to release the hostages minutes after the inauguration, the continuity in thought and action between Watergate and Iran-contra is obvious.

Nixon's White House was governed by the same operational code that later governed Reagan's. Nixon's angry "I am not a crook" was an early variation on Ray Cline's later assertion that lying to Congress was not a crime, just as Allen's intelligence operation was another version of the Watergate capers. The junta's operation, then, is not surprising: it merely operated in terms of what had become acceptable behavior in the White House. Unfortunately, if we remember George Bush's appeal to American racism and simple-minded patriotism during the 1988 campaign, to say nothing of his behavior since, it seems that nothing has changed. There is firmly entrenched in the White House an operational code that allows the president and his people to define as lawful deviant actions that further their own narrow ends or supposed national interests. If we also recall the public response to North's congressional testimony, the absence of protest about his and Poindexter's escape from punishment, and the many expressions of relief that "we have this behind us," it is clear that the political culture is coming to accept as proper behavior what was once condemned as morally unacceptable. We may expect to see more Watergates and Iran-contra affairs. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**Thomas E. Weisskopf**

# CHALLENGES TO MARKET SOCIALISM: A RESPONSE TO CRITICS

The idea of a market-based form of socialism was first given serious attention in the 1920s, when it was promoted by moderates within the socialist movement as an alternative to the marketless form of socialism identified with Marx's vision of full communism and embraced in principle by the Bolsheviks. The first systematic theoretical exposition of the functioning of a market socialist economy was that of Oskar Lange in the 1930s, who has ever since been recognized as a pioneer of the idea.[1] Since then a great deal of work has been done by advocates of market socialism—many of them economists from or interested in the post–World War II Eastern European countries—seeking to improve upon Lange's model while dealing with various problems raised by critics.[2]

Out of this continuing literature has emerged a variety of different models, but all share the same central goals and the same basic means. Market socialism seeks to promote the traditional socialist goals of equity, democracy, and solidarity while maintaining economic efficiency; it proposes to do so by retaining one major feature of capitalist economies—the market—while replacing another major feature of capitalism—private ownership of the means of production. For at least medium- and large-scale enterprises in most sectors of the economy, market socialists propose some form of social ownership rights; and these socially owned enterprises are expected to operate within a market economy that is regulated—but not displaced—by national government planning.

"Ownership" is a complex concept encompassing a variety of rights, which can potentially be assigned to a variety of different people. For our purposes it will be useful to distinguish two such rights in particular: the right to enterprise *control* and the right to enterprise *income*. The right to control confers the prerogatives and responsibilities of management: those who control the enterprise (or their representatives) make the decisions about how it will be operated, who will work in it and under what conditions, whether or not any aspects of the enterprise are to be expanded, contracted, sold or liquidated, and so on. The right to income confers a claim to the surplus generated by the enterprise—that is, the net (or residual) income after fixed obligations have been paid.[3]

The standard capitalist enterprise is owned by private individuals or shareholders who have (ultimate) control over management according to the nature and the amount of their ownership shares; typically a small number of individuals or shareholders have predominant control. Under market socialism enterprise control is social rather than private. Control of a market socialist enterprise is held by a community of people, each of which—in principle—has an equal say in management; as a practical matter, this (ultimate) control is usually exercised via appointment of a managerial staff. There are two principal variants of such social control, depending on the nature of

I am grateful to Joanne Barkan, Sam Bowles, Irving Howe and David Kotz for their constructive comments on earlier drafts of this paper. I remain, of course, solely responsible for the views expressed here.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the community in which control rights are vested:

- *Public management*: enterprises are run by managers appointed by and accountable to an agency of government (at the national, regional, or local level), which agency represents a corresponding politically-constituted community of citizens.[4]
- *Worker self-management*: enterprises are run by managers appointed by and accountable to those who work in them (or their elected representatives), with control rights resting ultimately with the enterprise workers (on a one-person one-vote basis).[5]

In the standard capitalist enterprise, ownership by private individuals or shareholders conveys not only control rights but also income rights—again according to the nature and amount of their ownership shares. Under market socialism, income rights are held socially rather than privately. The surplus of the market socialist enterprise accrues to a community of people in a relatively egalitarian manner. Here again there are two principal variants of such social claims to income:

- *Public surplus appropriation*: the surplus of the enterprise is distributed to an agency of government (at the national, regional, or local level), representing a corresponding community of citizens.[6]
- *Worker surplus appropriation*: the surplus of the enterprise is distributed to enterprise workers.[7]

These two different ways of assigning control rights and income rights under market socialism can generate a matrix of four different possible market socialist models, since there is no a priori reason why each set of rights must be assigned in the same way. As it happens, most advocates of market socialism lean primarily in one direction or the other: there is one school favoring what I will label the "public enterprise model," characterized by public management and public surplus appropriation, and a second school favoring the "worker enterprise model," characterized by worker self-management and worker surplus appropriation.[8]

Although the replacement of private with social control and income rights at the enterprise level is what most clearly distinguishes market socialism from (market) capitalism, advocates of market socialism also generally call for a greater degree of government intervention into and/or control of the market than is the norm in capitalist economies. Such control does not typically or primarily take the form of quantitative targets or restrictions, of the kind associated with the discredited system of centrally planned socialism. Instead, it involves more extensive government regulation of enterprises, more extensive government provision of public goods and services, and more extensive use of taxes and subsidies to reflect social costs and benefits that would otherwise be ignored by individual consumers and producers in the market environment. The objective here is to guide rather than to replace the market, so as to bring market price and cost valuations more closely into line with true social benefits and costs.[9] The difference between market socialism and capitalism in this respect is essentially one of degree rather than kind; apart from any control and income rights in enterprises, the economic role of government in a market socialist system differs little from that of government in the more government-regulated (that is, social-democratic) capitalist systems.

Market socialism has been challenged both by those who question the ability of markets to function efficiently in the absence of capitalist private property rights, and by those who question the ability of social ownership forms to meet socialist goals within the context of markets. I will here address the first of these two lines of criticism;[10] and I conclude with a brief discussion of whether there is really any fundamental difference between market socialism and social democracy.

## Markets Without Private Property

Defenders of capitalism have long argued that markets cannot work properly unless they are embedded in a system of property rights that enables private individuals to own, buy and sell shares in the means of production.[11] Socialists who agree on the desirability of markets must therefore be prepared to defend the proposition that markets can indeed promote efficiency in the absence of capitalist private property rights. To do so, we must meet head on the following kinds of criticism.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

*1. Doesn't the experience of Communist-party-directed socialist economies with market-oriented reforms teach us that market socialism is unviable?*[12]

This is precisely the lesson that economists such as Janos Kornai have drawn from the historical experience of those CP-directed socialist countries—notably Yugoslavia and Hungary—that have tried to reform centrally planned socialist economies by introducing a significant role for the market.[13] There can be no question that the market-reformed economies of Eastern Europe have indeed fared very poorly in the last decade; but the evidence on market reform of CP-directed socialist economies is mixed. Both in Yugoslavia (in the 1950s and 1960s) and in Hungary (in the 1970s) the early period of market reform showed considerable economic achievement, and the same appears to be true of China (in the 1980s).[14]

Most important, evidence from any of the CP-directed socialist economies is very limited in relevance to a prospective market socialism in which government is to be democratic rather than authoritarian. The historical experiences of Yugoslavia, Hungary, and China with a form of market socialism have been contaminated by the ubiquitous interference of a powerful Communist party organization—at the workplace, in enterprise management, and in local, regional, and national government. Under these conditions the market has been far from free, enterprises have been far from autonomous, worker self-management has been far from full, and bureaucratic central planners have continued to make many important economic decisions. Regrettably, history offers us no good case study of a democratic market socialist system.[15]

In the absence of decisive historical evidence, many critics of market socialism have raised theoretically grounded arguments designed to show that markets cannot work effectively under socialist forms of ownership of the means of production. Some of these arguments apply only to public enterprises; some apply only to worker enterprises; and some apply to both types. I will consider the more general issues first and then turn to the particular questions most often raised about public and worker enterprises, respectively.

*2. Won't market socialist enterprises suffer from inadequate worker effort in the absence of a serious threat of job loss?*

Market socialists are committed to full employment, whether the economy is characterized primarily by public or by worker enterprises. Critics argue that the assurance of a job will undermine "worker discipline," that is, workers will tend to shirk at the workplace if they don't face a credible threat of joining the unemployed for poor performance.

Note first that job loss is only one of a variety of negative sanctions that can be applied to workers who perform poorly on the job; other such sanctions include not being promoted to better jobs and not being granted pay raises. Furthermore, there are many kinds of positive incentives—involving both material and nonmaterial rewards—which can motivate better work performance. Some of these positive incentives are likely to be more effective in a context of long-term employment relations than in an environment in which job termination is always a credible threat.[16]

Market socialism is likely to provide for greater job stability than capitalism, but workers have no guarantee of retaining their current jobs. Full employment is not to be achieved (as in CP-directed socialist economies) by requiring enterprises to retain or take on additional workers even when this leads to overstaffing and consequent "underemployment." Instead, full employment is to be assured through public programs to retrain and relocate unemployed workers along the lines of Swedish "active labor market policies."[17] Empirical evidence from Sweden suggests that this type of "employment security" (as opposed to "job security") does not impair worker performance at the workplace; retaining one's job remains a significant performance incentive even if the alternative is retraining and relocation to a new job rather than unemployment. A worker with a reputation for performing poorly on the job would face the likelihood of moving to a less satisfying and remunerative job upon re-entering the labor force.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

*3. Won't market socialist enterprises suffer from incompetent management in the absence of a "market in corporate control"?*

Managers of conventional capitalist enterprises are liable to lose their jobs if their poor management drives down the stock market value of the firm to the point where major shareholders decide that new management is needed, or to the point where new investors are tempted to buy a controlling share of the firm and install a new management team. The ultimate threat of a hostile takeover is supposed to ensure "management discipline" much like the ultimate threat of job loss is supposed to ensure labor discipline in capitalist enterprises.

Managers of market socialist public or worker enterprises would have to answer for their management performance to government agencies or workers' councils, just as managers of capitalist firms are answerable to shareholders; here there would seem to be comparable possibilities for success and abuse. However, market socialist enterprises are clearly not subject to hostile takeovers, so their managers don't face the same ultimate threat as managers of capitalist firms. Is this likely to be a systematic source of weaker management performance?

The case is at best a very questionable one. First of all, the threat of a hostile takeover does not exist for privately held companies—many of which have been very successful. Moreover, the threat of hostile takeover of publicly held corporations plays a significant role only in a minority of capitalist economies—notably the United States and Great Britain; and firms from the United States and the United Kingdom have been notably weak in international competition in recent decades. Among the most successful competitors have been Japanese and German firms, in whose economies stock markets play a much smaller role and in which the monitoring of management performance is carried out mainly by large banks.[18]

*4. Won't market socialist enterprises suffer from inadequate entrepreneurship and innovation in the absence of huge individual rewards for success?*

The typical capitalist success story is one in which an individual with a good idea is able to interest venturesome investors in his or her idea, set up a small business to begin operation, watch demand and production grow by leaps and bounds, and end up joining the ranks of self-made millionaires. Such Horatio Alger stories do occur from time to time, and they have certainly exerted a strong influence on public perceptions of the capitalist economic process. By the same token, socialist economies are believed to discourage such entrepreneurship and innovation because they preclude the huge capital gains and individual fortunes associated with success.

But how important is this kind of scenario in the overall innovation process, and how much would it actually be curtailed by smaller rewards to its practitioners? Most research and development in capitalist economies is carried out in large research divisions of large corporations, where individual researchers face constraints and potential rewards very similar to what they could expect in a public or worker enterprise (indeed, some of the most innovative technical research has actually come out of public enterprises—for instance, the old Bell Labs in the United States). As far as cases of individual (basement or backyard) ideas and inventions are concerned, proposals for market socialism typically allow for independent individual and small business private enterprise —allowing thus for considerable individual rewards on a small scale. Only when and if such activities begin to turn into substantial business firms would they have to be socialized as public or worker enterprises; but this too would represent an experience familiar to entrepreneurs in capitalist economies, who often find themselves selling out to a bigger private corporation (with superior production, financing or marketing potential) after their initial success.

*5. Won't market socialist enterprises suffer from insufficient availability and inefficient allocation of investment finance in the absence of stock markets?*

Stock markets, in which enterprise ownership shares are bought and sold by private individuals or institutions, are said by enthusiasts of capitalism to serve two important economic functions. First, they should increase



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the availability of funds for enterprise capital formation by extending the potential sources of such funds beyond internal retained earnings, government grants, and external debt finance to external equity finance—through which potential outside investors can acquire control rights along with income rights in the enterprise. Second, they provide a measure of enterprise performance—that is, the stock market value of its assets—that should help investors determine where capital can be most effectively invested.

Most models of market socialism rule out stock markets, on the grounds that control of enterprises should be vested only in public agencies responsible to citizen constituencies or workers' councils responsible to worker constituencies and that individuals should not be able to reap large capital gains merely by virtue of the appreciation in value of their own property. These *desiderata* do indeed cut off a source of investment finance that would otherwise be available to enterprises; the salience of this problem can be reduced, however, by the development of imaginative forms of external finance that do not carry control rights—for example, "dequity" financial instruments that provide an income return that varies with enterprise performance but confer no control rights.[19] Similarly, it is possible to replace the performance measurement of stock markets with "pseudo-stock markets" in which enterprise shares are traded and valued without actually conferring control rights on the traders.[20]

Finally, for those who believe that such alternatives fall too far short of achieving the putative economic benefits of true capitalist stock markets, there is a version of market socialism that allows for external equity ownership rights and fully functioning stock markets. This is the proposal of Leland Stauber for a "democratic market economy," in which equity ownership and trading is permitted but restricted to public financial institutions and public enterprises.[21] Each local government would have its local investment fund, a publicly controlled (and autonomously managed) financial institution that would buy and sell securities in corporate enterprises, exercising stockholder rights, and so on, seeking to maximize the return on its investments—the net return of which would be turned over to the local government to be used in a way that is democratically accountable to its constituents (operating expenses, public programs, tax reductions, and so on). The essential idea is to maintain all of the efficiency advantages of capital markets while avoiding their usual (vastly unequal) distributive consequences, by restricting participation to public institutions representing large communities of people such as local investment funds, public enterprises, and pension funds. Stauber's model is of course an example of public enterprise market socialism; his proposed public stock markets would be inconsistent with self-managed worker enterprises.

*6. Aren't public enterprises bound to be inefficient because they operate in an environment of "soft budget constraints"?*

Perhaps the most widespread criticism of market socialist models is that public enterprises operate under "soft budget constraints."[22] As East European and Soviet experience has shown all too clearly, government officials responsible for public enterprises are often quite ready to respond to appeals from enterprise managers (and workers) for more funds regardless of firm performance (and indeed especially when firms are failing). This is often attributed to the fact that these officials are dispensing not their own but other people's funds. Public enterprises also depend on appeals to government officials to gain access to external funds for capital formation. Economic efficiency demands that enterprises be subsidized and investment funds be allocated not as an ad hoc response to appeals from firms but only as a matter of general policy designed to support clearly articulated social or economic goals.

To deal with the problem of soft budget constraints, advocates of market socialism have urged that public enterprises be made as autonomous as possible. This requires a system in which enterprise managers are rewarded for success and penalized for failure, and in which they have no special relationship with the government officials to whom they are ulti-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

mately responsible. Critics have some grounds for skepticism about achieving these objectives, in the light of historical experience with public enterprises—especially in the East. Yet two important points can be made against the skeptics. First, a democratic political environment—conspicuously absent in the East—can be expected to restrain the ability of government officials and enterprise managers to collude at the expense of the public. Second, pressures by enterprise managers to get special favors from government agencies are hardly unknown in capitalist economies—especially in the case of large and politically powerful private corporations that represent the capitalist counterpart to socialist public enterprises.

Assuring autonomy with respect to government agencies would not appear to be a problem for worker enterprises, whose control in any case is not in the hands of government officials.

In some models of market socialism, however, worker enterprises rely for most of their capital formation on government grants and loans.[23] In such cases they would share with public enterprises both the potential advantages of direct national-level control over the pace and direction of capital formation and the potential efficiency problems associated with direct government allocation of investment funds. In response to this kind of concern, John Roemer and his colleagues have developed an ingenious proposal for indirect government control of investment via the use of variable interest rates (achieved by government taxes and subsidies) within a decentralized system of public banks.[24] This system would allow for some (indirect) national-level control over the pattern of capital formation while reducing the scope for discretionary decision making by potentially collusive government officials.

*7. Won't worker enterprises respond too sluggishly to market signals and fail to provide enough employment opportunities?*

Beginning with a seminal article by Benjamin Ward in the 1950s, economists have undertaken systematic theoretical analyses of the differences between the behavior of capitalist firms and producer cooperatives or worker self-managed firms, where the latter seek to maximize current net income per worker rather than profits per unit of capital.[25] Under the usual simplifying assumptions, these studies tend to show that worker enterprises adjust their output and employment more slowly (if not actually perversely) to fluctuations in the demand for their products. Moreover, because of the self-interest of workers in preserving existing enterprises and the greater difficulty of raising capital to form new enterprises, labor-managed economies tend to discourage the liquidation of (unviable) old enterprises and the formation of (promising) new enterprises.

Although such tendencies are potentially problematic for market socialist systems in which worker enterprises play a prominent role, they are by no means inevitable. First of all, the continuing economic literature on the behavior of labor-managed enterprises has shown that under more realistic assumptions than those made by early scholars such as Ward, or with such institutional innovations as an entrance fee payable by new members of an enterprise, the tendency toward sluggish or perverse output and employment responses is eliminated.[26] To deal with potential problems of insufficient liquidation of old firms or formation of new firms, it may well be necessary to establish a separate entrepreneurial institution with the function of identifying new profitable opportunities, forming new self-managed enterprises to pursue them, and arranging for the liquidation of failing enterprises and the transfer of their workers to more successful enterprises.[27] Finally, it should be noted that even if pure efficiency considerations call for a more rapid process of change in the pattern of enterprises than is likely to be generated under a labor-managed system, the social goals of community and stability might well be better served by a system that is slower to change than capitalism.

*8. Won't worker enterprises undertake too little capital formation?*

This is probably the most frequently voiced concern about worker enterprises. It is argued that workers tend to under-invest in the enterprises they control because of a "horizon problem": since investment yields returns only to future workers, present workers may prefer to



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

distribute net revenues to themselves as current income rather than invest in long-term capital formation. Even if most workers are relatively young and can reasonably expect to work for many years to come, this kind of horizon problem is potentially serious. For one thing, workers may be legitimately concerned that their enterprise may not survive future hard times; for another, they may wish to have access to their own savings in a time pattern differing from what would be forthcoming as returns to investment.

The horizon problem results from the absence of an identifiable and reasonably liquid capital stake for individual workers corresponding to their own contributions to enterprise capital formation. To overcome the problem, David Ellerman and others have recommended that "internal capital accounts" be established for each worker in the enterprise, to which would be credited in each year an amount representing their share of the retained earnings of the enterprise.[28] These accounts would involve no control rights; they would operate much like external savings accounts, building up individual wealth and generating interest income as if workers had received the retained enterprise revenues due to them and deposited them in a savings account. A further refinement, to deal with the horizon problem as well as other potential capital inefficiencies, is to establish tradable nonvoting equity shares that would be purchased by each worker as he or she joins the enterprise and owned or sold by each worker as he or she leaves the enterprise.[29] Such proposals come close to meeting the standard of an ideal capitalist firm in the efficient use of capital, though they still leave something to be desired regarding the availability of external investment funds as long as potential investors cannot acquire any control rights.

*9. Won't worker enterprises be insufficiently entrepreneurial and innovative?*

Even if some kind of internal accounts or nonvoting equity shares are established to provide workers with a capital stake in their own enterprise, critics are concerned that managers of worker enterprises will be reluctant to take (a desirable degree of) risk since workers will have most—if not all—of their capital assets tied up in their own enterprise. Also, because of this kind of risk, workers might well prefer external savings accounts rather than internal capital accounts.

To overcome problems of risk aversion one could organize horizontal associations of worker enterprises and pool the risks of each enterprise by pooling some fraction of their net revenues with those of other enterprises. In this way exposure to risk would be reduced not by the diversification of individual asset portfolios but by the diversification of enterprise net revenues. A similar effect could be achieved by the creation of holding companies that would hold groups of diversified enterprises, with a substantial part of enterprise profits going to the holding companies in which enterprise workers would have individual capital accounts, and from which retained earnings would be allocated back to the enterprises. Such a plan would trade off some degree of management autonomy at the enterprise level for some degree of reduction in exposure to risk.

*10. Won't worker enterprises be plagued by work shirking and free riding?*

Conventional economic analysis suggests that the more individuals are rewarded according to the collective performance of a whole group—rather than according to their own individual performance—the less incentive individuals will have to perform well and the more likely they will be to shirk work. It follows that worker enterprises will give rise to such problems insofar as there is any sharing of net revenues unrelated to individual performance. Such sharing is in fact very likely—if only because of the ideological commitment to cooperative effort and reward underlying most plans for worker enterprises.

It is questionable, however, whether work shirking will be any more serious in worker enterprises than in more conventional firms in which management is responsible to nonworkers. Measuring individual performance with any precision is difficult in any complex enterprise, and it is often not possible to tailor rewards to individual performance. Thus all kinds of enterprises confront difficult problems of worker motivation of a kind that may best be



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

solved by collective incentives associated with "team spirit" and enterprise goals.

Worker self-managed firms have some important advantages over both conventional capitalist firms and government-controlled public enterprises in stimulating workplace efficiency. When workers themselves exercise control rights, rather than shareholders or public officials, there can be no collective conflict of interest between those in whose interest the enterprise is operating and those who are carrying out the operations of the enterprise. Thus one potentially important problem is removed, with attendant savings in costs of monitoring and compliance. There can still be the classic divergence of interests between the collective of workers and the individual worker—but this is more likely to be reduced through horizontal monitoring among workers themselves when they all are in control of the enterprise.

In summary, advocates of market socialism can provide reasonably satisfactory (and often very ingenious) solutions to each and every one of the potential efficiency problems that have been raised by critics. These solutions tend not to meet fully the efficiency standard of an ideally functioning capitalist economy; but neither in practice do actual capitalist economies. Most of the proposals for promoting efficiency under market socialism share the following characteristic: the more successful they are in obviating the problem posed by critics of market socialism, the more closely the suggested solution resembles the institutional framework of a capitalist market economy. In no case, however, does the suggested solution require the embrace of traditional capitalist property rights in the means of production.

There is one important exception to the generalization that efforts to meet criticism of market socialism on efficiency grounds fall short of capitalist standards of efficiency. To the extent that worker effort and performance are promoted by participation in decision making, market socialist enterprises with a significant degree of worker self-management promise higher productivity than capitalist firms. This provides a boost to the case for a worker-enterprise variant of market socialism. However, there does remain some trade-off between efficiency gains with respect to labor and efficiency gains with respect to capital: the labor-motivational gains delivered by worker self-management come at the cost of some capital-supply and risk-taking losses.[30]

These considerations raise the larger question of whether enterprise ownership rights in a market socialist society should best be grounded in communities of *citizens* or communities of *workers*. Should control rights—the rights to manage the enterprise—be vested in governmental agencies (democratically accountable to citizens) or in workers' councils (democratically accountable to enterprise workers)? Should income rights accrue to the general public (via government agencies) or to enterprise workers?

Advocates of *public management* stress its advantages vis-à-vis worker self-management with respect to "capital efficiency"—access to capital funds, encouragement of risk-taking, technological progress, and so on. Advocates of *public surplus appropriation* stress its advantages with respect to equity at the societal level: channeling the residual income of enterprises into an aggregate "social dividend" recognizes the interdependence of all production activities, protects workers and citizens against the potential risk and inequity of having their capital income tied to the performance of a particular enterprise (which may do well or do badly for reasons of luck rather than merit), and can distribute society's surplus much more equitably than when individual enterprises retain much of their own surplus.

Advocates of *worker self-management* stress its advantages vis-à-vis public management in several different respects: (1) "labor efficiency"—motivation of work effort and quality, disciplining of management, organizational improvement, and so on; (2) democracy: worker self-management at the enterprise level is in and of itself democratic, and may well reinforce democracy at the political level; and (3) solidarity: through greater participation in workplace and enterprise decision making, workers may gain a stronger sense of solidarity with their fellow workers. Advocates of *worker*



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

*surplus appropriation* stress its advantages with respect to labor efficiency and solidarity, as workers' incomes are linked collectively to the performance of their enterprises.

Clearly there are significant trade-offs here. Different kinds of social control rights are advantageous with respect to different kinds of efficiency considerations, and different kinds of social income rights are advantageous with respect to different socialist objectives of equity, democracy, and solidarity. A reasonable solution to the dilemma of choice—consistent with the overall spirit of compromise inherent in market socialism—would be to encourage a mixture of public and worker control and income rights, emphasizing each in the particular circumstances in which it would do the most good. Such a compromise could take the form of promoting public management in those industries and enterprises characterized by relatively large economies of scale or relatively extensive externalities and promoting worker self-management in industries and enterprises with smaller economies of scale or less significant externalities. Since income, unlike control, can easily be shared, it might be best to promote patterns of enterprise income rights in which there is both a social dividend claim and an enterprise worker claim.

## Market Socialism and Social Democracy

Advocates of social democracy share the socialist objectives of advocates of market socialism but differ as to the best means to achieve them. Where market socialism seeks to promote the public interest, greater equity, democracy, and solidarity primarily by transferring capitalist ownership rights to communities of citizens or workers, social democracy seeks to do so by government policy measures designed to constrain the behavior of capitalist owners and to empower other market participants. Thus social democrats do not try to do away with either the market or private property ownership; instead, they attempt to create conditions in which the operation of a capitalist market economy will lead to more egalitarian outcomes and encourage more democratic and solidaristic practices than would a conventional capitalist system.

Market socialists have traditionally been highly suspicious of social democracy, on the ground that its failure to attack head-on the source of capitalist power—private ownership of the means of production—would ultimately prevent it from attaining socialist objectives. But as models of market socialism have been refined over the years, the distinction between market socialism and social democracy has been somewhat blurred. Partly because of the problematic experience of East European CP-directed socialist economies with limited market-oriented economic reforms, advocates of market socialism have come to support an increasingly wide scope for markets and increasing autonomy for public or worker enterprises operating within the market environment.[31] While such proposals do not amount to the restoration of full capitalist private property rights, they often do open up opportunities for individuals to receive some forms of capital income.

The elimination of large-scale private property ownership under market socialism certainly leads to a much more equal distribution of income than obtains under conventional capitalism. Both theory and the actual experience of social democracy, however, suggest that government taxation and spending programs can substantially reduce the extent of income and wealth inequalities within a capitalist economy. As far as the pattern of enterprise management is concerned, there is also good reason to question how far market socialism really differs from social democracy. Market socialist enterprise managers, whether accountable to government agencies or to enterprise workers, are expected to operate their enterprises in such a way as to maintain profitability in a market environment; this means that they will typically have only limited leeway to steer the enterprises in a direction much different than would managers accountable to private shareholders.[32] And, indeed, to prevent autonomous public enterprises or worker self-managed firms from acting in their own particular interest, as against the general social interest, it would in all likelihood be necessary for government to regulate them or their markets just as is done by social-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

democratic governments in a capitalist economy.

At a more fundamental level, market socialism does not dispense with the individual gain incentives and the related inequalities associated with capitalism. Instead, it seeks:

> (a) to link differences in rewards more closely to corresponding differentials in actual productive effort (as opposed to differentials in the ownership of various kinds of assets); and
>
> (b) to reduce the extent of differences in individual material rewards associated with differentials in productive effort, so as to reduce (greatly) the resultant distributional equity without reducing (much) the incentives they generate.[33]

Again, this is precisely what social democracy tries to do—albeit in a different way than market socialism. Social democracy achieves greater egalitarianism via *ex post* government taxes and subsidies, where market socialism does so via *ex ante* changes in patterns of enterprise ownership. As for serving the general social interest, market socialists and social democrats agree that, where the unfettered market will not achieve important social goals, the first option is to try to guide the market toward socially optimal behavior (via appropriate taxes, subsidies, and so on, to internalize externalities by "planning with the market"); where this is not adequate, the second option is to replace price-and-market mechanisms by quantitative controls or direct state operation of enterprises.

On further reflection, one might well ask of market socialists: what compelling reason is there to restrict forms of enterprise ownership to types in which control and income rights accrue to (citizen or worker) communities rather than to private shareholders? Why not simply provide a level market playing field in which all types of enterprises can compete on a truly equal basis? Most contemporary market socialist models in any case allow for individual or small-scale private enterprise. Could not the problems of excessive wealth and power associated with large-scale private enterprise be addressed as easily and successfully via taxation and regulation as via restrictions on private ownership?

To sustain the superiority of the market socialist over the social democratic approach, I would argue as follows. In redefining and reassigning (to workers or communities) rights that form the point of departure for markets, market socialism intervenes into the market system before markets operate—while social democracy intervenes (mainly) after markets operate. This makes social democracy much more vulnerable to weakening or disintegration under political challenge, since tax-and-subsidy schemes and government regulation are much easier to reverse than changes in property rights.[34] Moreover, the maintenance of property-owning capitalists under social democracy assures the presence of a disproportionately powerful class with a continuing interest in challenging social democratic government policies. Under market socialism there may well emerge a kind of managerial class with disproportionate power; but its power will be much less disproportionate because enterprise control rights and personal wealth will be far less concentrated.

## Notes

[1] See Oskar Lange, "On the Economic Theory of Socialism," part 1 and 2, *Review of Economic Studies*, 4 (1936-37), and Oskar Lange and Fred Taylor, *On The Economic Theory Of Socialism* (University of Minnesota Press, 1938). Abba Lerner also made seminal contributions to the early literature on market socialism; see his "Economic Theory and Socialist Economy," *Review of Economic Studies*, 2 (1934), and "A Note on Socialist Economics," *Review of Economic Studies*, 4 (1936).

[2] For a brief survey of the history of the idea of market socialism, see Wlodzimierz Brus, "Market Socialism," in John Eatwell, Murray Milgate and Peter Newman, eds. *The New Palgrave: A Dictionary Of Economics* (MacMillan, 1987). The most prominent recent contribution to the literature on conceptualizing market socialism was Alec Nove's *The Economics Of Feasible Socialism* (Unwin Hyman, 1983); since then Nove has published an updated version of his book, *The Economics Of Feasible Socialism Revisited* (London: HarperCollins Academic, 1991).

[3] In this context the enterprise surplus should be defined to include also any capital gains or losses.

[4] Examples of recent models of market socialism charac-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

terized by public management include those of John Roemer and Leland Stauber; see John Roemer, "Market Socialism: A Blueprint," *Dissent* (Fall 1991), and Leland Stauber, "A Proposal for a Democratic Market Economy," *Journal of Comparative Economics*, 1:3 (1977).

[5] Examples of recent models of market socialism featuring worker self-management include those of David Schweickart and David Ellerman (though in Schweickart's model the national government retains control over net capital formation, and Ellerman does not explicitly use the term "market socialism"); see David Schweickart, *Capitalism Or Worker Control?* (Praeger, 1980) and David Ellerman, *The Democratic Worker-owned Firm* (Unwin Hyman, 1990).

[6] For example, in Roemer's model of market socialism, (most of the) enterprise surpluses flow back to the national government to be distributed (in large part) to the general public in an equitable manner as a "social dividend"; in Stauber's model, local government agencies receive enterprise capital income *qua* shareholders and either use it for local public purposes or redistribute it to local citizens.

[7] For example, in both Schweickart's and Ellerman's models of worker self-management, the enterprise surplus accrues strictly to its workers—though there are taxes and other charges that must first be paid to government.

[8] Roemer's and Stauber's models of market socialism represent different kinds of public enterprise models, whereas Ellerman's is a worker enterprise model; Schweickart's is predominantly a worker enterprise model, but includes some characteristics of a public enterprise model—that is, government control over net capital formation.

[9] Market valuations are expected to reflect "true" social benefits and costs to a much greater extent under market socialism than under capitalism not only because of the greater degree of internalization of externalities but also because of the more equal distribution of income that results from the socialization of enterprise income rights; thus overall market demand will not disproportionately reflect the demands of a minority of wealthy individuals.

[10] In a related paper I respond to critics who question the ability of social ownership forms to meet socialist goals in thecontext of markets; see Weisskopf, "Toward a Socialism for the Future, in the Wake of the Demise of the Socialism of the Past," Working Paper (University of Michigan, October 1991).

[11] This argument goes back to Ludwig von Mises and is associated with Friedrich von Hayek and many other adherents of the "Austrian" school of economics; see Ludwig von Mises, "Economic Calculation in the Socialist Commonwealth," in F. A. Hayek, ed., *Collectivist Economic Planning* (Routledge & Kegan Paul, 1935). For contemporary developments of the Austrian critique, see Don Lavoie, *Rivalry And Central Planning: The Socialist Calculation Debate Reconsidered* (Cambridge University Press, 1985), and many of the readings in Erik Furubotn and Svetozar Pejovich, eds., *The Economics Of Property Rights* (Cambridge, Ma.: Ballinger, 1974).

[12] I will consistently use the term "Communist-party-directed"(or the abbreviated "CP-directed") to describe the kind of socialism that has actually existed in the Soviet Union, Eastern Europe, China, Cuba, Vietnam, and North Korea. There are of course many other adjectives that have been used to characterizethis type of socialism—"actually existing," "bureaucratic state," "centrally planned," and so on—and some have even called it a form of (state) capitalism. I prefer "CP-directed" because it underlines in a compact way the authoritarian, hierarchical, bureaucratic nature of both the political and the economic system.

[13] Kornai's negative assessment of the viability of market socialism is set out in many of his recent writings; for a representative example, see Janos Kornai, "The Affinity Between Ownership Forms and Coordination Mechanisms: The Common Experience of Reform in Socialist Countries," *Journal of Economic Perspectives*, 4:1 (1990).

[14] On Yugoslavia's economic progress in the 1950s and 1960s, see Harold Lydall, *Yugoslav Socialism* (Oxford University Press, 1984); on China's experience with market-oriented reforms in the 1980s, see some of the contributions to Peter Van Ness, ed., *Market Reforms In Socialist Societies: Comparing China And Hungary* (Colorado, L. Rienner, 1989).

[15] Yugoslavia's version of self-managed market socialism has often been cited as the actual experience coming closest to a desirable model of market socialism, but even Yugoslavia's model is profoundly flawed from a market socialist perspective; see Jaroslav Vanek, "On the Transition from Centrally Planned to Democratic Socialist Economies," *Economic and Industrial Democracy*, 11 (1990); 180-182, for a comprehensive listof conditions for "an optimal democratic and self-managing economy "—most of which failed to be realized in Yugoslavia.

[16] On this important point, see David Levine and Laura Tyson, "Participation, Productivity and the Firm's Environment," in Alan Blinder, ed., *Paying for Productivity* (Brookings, 1989).

[17] There is a vast literature on the Swedish model of and experience with active labor market policies; for a brief summary, see Andrew Zimbalist, Howard Sherman, and Stuart Brown, *Comparing Economic Systems*, second edition (Harcourt Brace Jovanovich, 1989), 72-80.

[18] John Roemer and Pranab Bardhan have proposed that independent public holding companies play precisely such a role in a market socialist economy; see Roemer and Bardhan, "Market Socialism: A Case for Rejuvenation," Working Paper No. 91-175 (University of California, July 1991).

[19] See David Ellerman, op. cit., pp. 85-89, for a discussion ofvarious forms of variable-income debt instruments that could be used by worker-controlled firms to raise external finance; as Ellerman notes, they operate similarly to conventional capitalist "preferred stock" options.

[20] For some ingenious ideas along these lines, see Domenico Mario Nuti, "Financial Innovation under Market Socialism," Working Paper 87-285 (European University Institute, Florence, 1987).

[21] See Leland Stauber, op. cit.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

[22] This term was first coined by Janos Kornai; see "The Reproduction of Shortage" and " 'Hard' and 'Soft' Budget Constraints," both in Kornai, *Contradictions and Dilemmas: Studies on the Socialist Economy and Society* (MIT Press, 1987).

[23] This is the case, for example, with David Schweickart's model; see Schweickart, op. cit.

[24] See Roemer, op. cit., and Ignacio Ortuno-Ortin, John Roemer, and Joaquim Silvestre, "Investment Planning in Market Socialism,"Working Paper (Department of Economics, University of California, Davis 1991).

[25] Benjamin Ward, "The Firm in Illyria: Market Syndicalism," *American Economic Review*, 68 (1958). For a useful survey of literature on labor-managed firms and economies, see Louis Putterman, *Division Of Labor And Welfare* (Oxford University Press, 1990), chapter 4.

[26] For details, see Putterman, op. cit., pp. 165-167.

[27] Such a proposal has been advanced by Saul Estrin, "Workers' Co-operatives: Merits and Limitations," in LeGrand and Estrin, eds., *Market Socialism* (Oxford, England: Clarendon Press, 1989), drawing on the example of the Caja Laboral Popular in the Mondragon cooperative network of Northern Spain.

[28] See Ellerman, op. cit., pp. 76-91; Putterman, op. cit., pp.179-181, notes that the Mondragon cooperative network provides an instructive example of the use of internal capital accounts.

[29] See Gregory Dow, "Control Rights, Competitive Management, and the Labor Management Debate," *Journal of Comparative Economics*, 10 (1986).

[30] See Samuel Bowles and Herbert Gintis, "The Democratic Firm: An Agency-Theoretic Evaluation" (paper presented to the conference on "Microfoundations of Political Economy: Problems of Participation, Democracy and Efficiency," Uppsala, Sweden, 1990), for a persuasive demonstration that no organizational structure can be optimal simultaneously with respect to both labor-efficiency and capital-efficiency considerations.

[31] This evolution in the thinking of advocates of market socialism toward an increasing role for markets can be seen very clearly in the work of Wlodzimierz Brus, from *The Market In A Socialist Economy* (Routledge & Kegan Paul, 1972) to *From Marx To The Market* (with Kazimierz Laski: Oxford University Press, 1989).

[32] Some critics of market socialism have argued that a market socialist system is fundamentally unstable, bound to veer back to a form of capitalism under the pressures on enterprises imposed by competition in a market environment. Certainly market competition restricts the scope of viable options for any kind of producing enterprise; but the argument that it obliterates distinctions among enterprise types is based on a very unrealistic economic model of capitalism—one in which mechanically organized firms face no problems of contract enforcement, worker motivation, and so on; only under such restrictive assumptions is there no room at all for discretionary decision making by firm management and is the market all-determining. For a stimulating debate on these issues, see the exchanges between N. Scott Arnold and David Schweickart—beginning with Arnold's "Marx and Disequilibrium in Market Socialist Relations of Production"—in *Economics and Philosophy*, 3 (1987).

[33] As David Miller puts it in his "Why Markets?" in Julian Le Grand and Saul Estrin, *Market Socialism* (Oxford University Press, 1989), 30: "for markets to operate effectively, individuals and enterprises must receive primary profits, but the proportion of those profits that they need to keep as private income dependson how far they require material (as opposed to moral) incentives."

[34] The experience of Sweden since the mid-1970s is often cited to show the vulnerability of social democracy to pressures to move toward a more traditional form of capitalism. For informative analyses of the trials of the Swedish model of social democracy in recent years, see Erik Lundberg, "The Rise and Fall of the Swedish Model," *Journal of Economic Literature*, 23:1 (1985), and Jonas Pontusson, "Radicalization and Retreat in Swedish Social Democracy," *New Left Review*, #165 (1987).


## Become a Friend of *Dissent*

Send in your tax-deductible contribution of $100 or more and join the "Friends of Dissent." You'll receive our occasional newsletter, *Dissent News*, which is chock-full of exciting features: reflections from the editors, backstage gossip, glimpses into *Dissent*'s future and so on.

Tax-deductible checks should be made out to the Foundation for the Study of Independent Social Ideas (you can abbreviate: FSISI).




LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

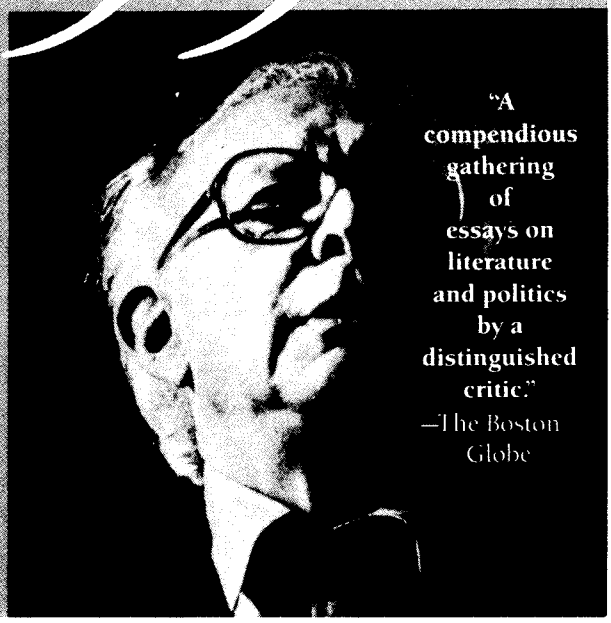
# IRVING HOWE

## SELECTED WRITINGS 1950 1990

*Foreword by Michael Walzer*

**"Rich, capacious, varied, trucident, enthusiastic, quick with thought and feeling."**
—The Wall Street Journal

**"Fire, insight and humanity characterize National Book Award-winner Howe's essays on individual authors, the Reagan era and the failures of liberalism and socialism in America."**
—Publishers Weekly



**"A compendious gathering of essays on literature and politics by a distinguished critic."**
—The Boston Globe

HBJ **HARCOURT BRACE JOVANOVICH**

*A Harvest/HBJ Book*

**At bookstores everywhere**


LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Andrew Ross

# ON INTELLECTUALS IN POLITICS

In his essay "Intellectuals in Politics," Richard Rorty gives us his thumbnail sketch of the history of democracy in the United States. In the beginning were the Founding Fathers, fearful of mob rule. In the interim were the spread of literacy and the struggles for democratic progress of ten generations of liberal-leftists. In the present is a malaise of inactivity, germinated, in some part, by postmodern intellectuals who seem more concerned about gay-bashing in the streets, racist reporting in the press, and sexual harassment in the workplace than they are about the rich soaking the poor. Given more space, I suppose I would want to tell a less simple-minded story: a story that did not have to begin with the Founding Fathers; a story that acknowledged that ten generations of American leftists might not all have shared the same vision of democratic progress; a story that described some of the pernicious activities pursued at home and abroad in the name of American-style democracy; a story that showed how gay-bashing, racist reporting, and sexual harassment are intrinsically linked to the systematic ease with which the rich go on soaking the poor. From the evidence of his essay, Rorty would probably find such a story cluttered, obfuscatory, distracting, overly intellectual, and perhaps even unAmerican. After all, he likes to keep his view of politics (real politics, that is) simple. Real simple. Like some kind of mantra, he repeats over and over his definition of "real politics"—it's about the rich soaking the poor, or the rich ripping off the poor, or the poor resisting the rich. Nothing more, nothing less. Now either Professor Rorty is playing the naïf, or else the liberal tradition he claims to represent is more bankrupt than the most recent S&L to go down the drain.

Are we to conclude that the cataclysmic Thomas-Hill hearings had nothing to do with real politics? On the face of it, we didn't learn much there about how the rich soak the poor. Nor do we learn too much about economic violence, on the face of it, from Jesse Helms, when he rises on the Senate floor to periodically vent his spleen against gay people. Perhaps, for Mr. Rorty, those kinds of spectacles belong to culture, not politics. According to his view of real politics, neither the rich nor the poor have vaginas or penises; they have only bank accounts.

Don't get me wrong. I'm quite sympathetic to anyone who wants to talk to me about the economic nightmares faced by " 'structurally' unemployed factory workers in the Rust Belt." It's just that Mr. Rorty wouldn't be the first person whose writings I would rush to in order to find out what such workers, or what "the stoop laborers along the Rio Grande, and the children in the ghettos" have on their minds these days. I would wager that some kind of attention to what Ice Cube is rapping about or whatever new kind of cyborg Arnold Schwarzenegger is impersonating is more likely to be helpful in this regard than reading the complete works of John Stuart Mill or even John Dewey. But the difference is that I, unlike Professor Rorty, don't see these two sources of inspiration as mutually exclusive; I'm just as interested in Dewey as in Ice Cube (well, almost). As his all too visible contempt for "schlock" reveals, Rorty still subscribes to Gresham's Law of Culture; if you let "bad" popular culture in the door, then real culture goes out the window. Sad to say, but things don't seem to have changed much since the cold war debates among liberal intellectuals who saw popular culture as a filthy contaminant to democratic life and to left thought alike, rather than as an opportunity for intellectuals pumped up on high moral seriousness to learn something about the messy world of popular pleasures, popular resentments, and popular prejudices. Forty years later, all that's new in the post–cold war liberal imagination is a new old version of Gresham's Law: if you let cultural politics in, you can say goodbye to real politics.

After hearing him repeatedly hammer the same dull nail into the coffin of culture, I think I have some idea of what Mr. Rorty means by "real politics." But it's more difficult for me to figure out whether he really understands what cultural politics is; I'm tempted to conclude that he just doesn't get it. Rather than give him the benefit of the doubt, let me briefly recount why cultural politics is important. To begin with, no one in this country has much difficulty recognizing that the rich soak the poor.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Why does that recognition not translate into an immediate and unstoppable clamor for the redistribution of wealth? The answer lies mostly in the realm of culture, ideology, and all of the realms of thought, belief, and social consciousness that Marx once designated as superstructural, and which we have come to see as integral to the maintenance of power. In the course of the last century leftist thinkers have increasingly turned their attention to culture to explain how structures of wealth and power are maintained and reproduced from day to day. Every single day of the year, someone once said, from sunrise to sunrise, the unequal world of capitalism has to work hard in order to reproduce itself, culturally as well as economically. It does the cultural work through various institutional means—government, the courts, the churches, the educational system, law enforcement, news media, popular entertainment—through various value clusters—morality, prejudice, envy, survivalism, common sense—and through a profusion of daily cultural rituals and practices. These channels of power are highly evolved. A cultural politics that wants to describe how they work requires a certain degree of sophistication, a certain amount of habitual analysis. The point of such a politics is to sort out and to challenge what is being said in our society about race, class, sexuality, and gender under the cover of dominant notions of democracy that encourage people to see themselves as free to exploit their fellow women and men. And, in this respect, no, of course it is not good enough to simply "cite statistics about rape, wifebeating, gay-bashing, income differences, and differences in per-pupil expenditure in various school districts." Statistics, like poll-taking, are one of the lowest forms of political consciousness. Nor will it do to insist on the language of clarity and plainspeak that Rorty commends as the most "democratic" medium for intellectuals to communicate such challenges. The insistence on plain prose is all too often used as a means of excluding complex or radical insights, and of denying such insights entry into the public discourse of politics.

Cultural politics, then, involves much of what I have described above, but the term is also used in a more particular sense. It often refers specifically to someone's positions vis-à-vis issues of race, ethnicity, sexuality, gender, and ecology, and thus to those new movements of activist thought and experience that have deepened and broadened the idea of democracy in our time. Consequently, it is possible to be liberal or left in matters of class politics and economics while holding conservative views in matters of cultural politics. In fact, Mr. Rorty's sentiments seem to represent exactly what has become a familiar hybrid, the economic liberal-cultural conservative. This hybrid voice, which is usually but not exclusively male and heterosexual, is increasingly heard amid the rising crescendo of attacks on the academic cultural left. Among other things, Professor Rorty's essay will be read as a fulsome contribution to the dirty campaign of PC-bashing.

Anyone who knows me or my work will know that I am no certified apologist for what Rorty calls "advanced literary theory" (but he, of all people, surely knows better than to describe that theory in the flip way he does, barely distinguishable from the journalistic accounts he himself derogates). It is equally bizarre to find myself described as someone who goes around preaching the cause of academic politics, and "improvising new professional jargon." In this respect, I am not Rorty's man, and I should add that I don't know of anyone who does fit this one-dimensional description. But I do realize that my name is simply being used to represent a tendency that Professor Rorty wants to nail, an academic tendency that he sees as dangerously pervasive and as Stalinistically (that is, undemocratically) stage managed. Unlike him, I am no "old-timer," whose blood is chilled by memories of Stalinism, but I do speak as an early casualty of Mrs. Thatcher's destructive assault on British higher education, an orchestrated effort that, in retrospect, has all but driven the young left intelligentsia from whatever small niche it might have held within British universities and polytechnics. From my perspective, Rorty's characterization of the academic cultural left as a scary, unified menace has a good deal in common with the new right-wing image of humanities college professors, hitherto consigned to the outer, tweedy margins of social relevance, now portrayed as pointy-headed dictators of thought or as first-strike threats to national security. Just remember that the left is temporarily enjoying its first real foothold within the North American academy. Please allow us to make a little history there, under conditions, as usual, not of our own choosing.

To be fair to Rorty, there is no evidence that he shares the Neanderthal views of the right-wingers or even the monoculturalists in the current debates about PC; he does not actually rebut the "politics of difference" espoused by the advocates of multiculturalism, although he shows scant appreciation in his essay for the substance of their claims. Rather, his complaint is that such a politics does not translate instantly into visible benefits for the poor and that advocates of such a politics, like myself, are living



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

in cloud-cuckoo land if we believe that it does. I do not have the space here to properly address this charge. Suffice it to repeat that I find the terms of such a complaint to rest upon a profoundly restrictive view of politics. If the test of all political work is to translate instantly into benefits for the poor, then most of the political work done by the *nonacademic* activists, writers, artists, musicians, journalists, and filmmakers whom I know and whom I count as friends and comrades would flunk outright. I challenge Professor Rorty's right to trivialize their political endeavors. As to the questions of academic politics, let me say that if minute changes in curricular procedure on college campuses can be received on the order of threats to national security, as has been the case of late, then the reformers must be doing something right. Culture *does* matter, and if proof were needed of this proposition then the recent brouhaha is living testimony. If there are those who doubt the validity of cultural politics after all of this hullabaloo, then, as far as I'm concerned, they can go eat their unreconstructed hats. But before he does that, perhaps Professor Rorty should tell us what *he* thinks culture is good for. Since the poor cannot eat it, why in hell's name should we bother with it?

## Richard Rorty Replies

Andrew Ross says that "the left is temporarily enjoying its first real foothold within the North American academy." That claim reminds me of E.P. Thompson's remark that the Althusserians thought themselves "the first white Marxists" to arrive on British soil. Britain, Thompson protested, "is an old socialist country." So, I protest, is the United States. There has been a busy and useful left in the North American academy for most of this century.

Although most long-time readers of *Dissent* will probably agree with me on this point, most of my younger leftist colleagues in the academy will probably agree with Ross. There is a fairly sharp generational difference here. The new generation does not count the presence of such people as John R. Commons, Lionel Trilling, John Dewey, Paul Goodman, Sidney Hook, and Daniel Bell in the North American academy as a leftist presence. They would sympathize with the tone of Ross's discussion of what he calls "the Old Left," in the last chapter of his *No Respect*. There he suggests that those who refused to put "Western freedoms" in quotation marks during the cold war cannot count as "really" left at all. The further fact that the Old Left said little about the oppression of women, gays, and lesbians is enough to suggest to many younger academics that the Old Left was only a "left" in quotation marks.

It is tempting to think, in Hegelian fashion, that later is usually better and that youth must be served. I think this temptation should be resisted. The Old Left was a much more useful left than the one of which Ross is a representative, and it is a better model for a future left. I agree with David Hollinger's remark that one of the contributions of the newer left has been to enable professors, whose mild guilt about the comfort and security of their own lives once led them into extra-academic political activity, to say, "Sorry, I gave at the office." Todd Gitlin seems to have a good point when he says that, although the Republicans seem likely to control the White House forever, our cleverest and most vocal leftists continue to be concerned about who controls the English department. I imagine that Ross sees Hollinger's and Gitlin's remarks as more of "the dirty campaign of PC-bashing." I see them as plausible estimates of probable utility.

Ross and I will never agree, I imagine, about whether the cold war was, on balance, a good war. But even someone prepared to argue (with support from the Vietnamese and the Salvadorans, though none from the Hungarians and the Czechs) that the cold war did more harm than good ought to acknowledge that some of the cold warriors, some of the anticommunist academic left, did a lot to help equalize the life chances of Americans. It is true that the Old Left ignored a lot of injustices and inequalities, but it is also true that it struggled, with good effect, against a lot of other injustices and inequalities. The utility of this left is illustrated by its role in drafting and passing Lyndon Johnson's Great Society bills. The inutility of Ross's left is suggested by its disdainful refusal to think in terms of drafting and passing bills.

The distinction that Ross draws in *No Respect* between "the liberal imagination" of Trilling,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Howe, Macdonald, and others and the "liberatory imagination" of himself and his allies (like his parallel contrast between "liberal pragmatism" and "participatory democracy") is in part a distinction between those who favor what he calls "the language of clarity and plainspeak"—the language appropriate for argument over the details of legislation—and those who do not. Ross says that that language "is all too often used as a means of excluding complex or radical insights, and of denying such insights entry into the public discourse of politics." It can be so used, but the Old Left did not use it that way. People like Dewey and Trilling used it to enrich American public discourse with complex and radical insights. The Old Leftists were quite aware that culture mattered. But they did not think that the culture they shared with the Fourth-of-July orators and with Martin Luther King, Jr., a culture that insists on patriotic celebration of America as a land of increasing freedom and equality, was simply an instrument by which "capitalism reproduces itself." They thought of it as a vehicle that had enabled American leftist intellectuals, decade after decade, to circulate increasingly radical ideas among the electorate.

Ross thinks that "no one in this country has much difficulty recognizing that the rich soak the poor," and that the absence of an "immediate and unstoppable clamor for the redistribution of wealth" is a matter of culture and ideology. I think that lots of people—especially factory workers in the North and farmers in the South who used to vote Democratic and now vote Republican—have great difficulty recognizing what is going on; I think they were successfully duped by Reagan. I think that statistics about income distribution, per-pupil expenditure in school districts, and so on are indispensable ways of getting them to change their minds. I would like Democratic politicians, *Newsweek,* and leftist academics to din those statistics into the electorate's ears. Ross's claim that "statistics, like poll-taking, are one of the lowest forms of political consciousness" seems to me just a way of claiming that the sort of thing philosophy professors and English professors are good at is more socially useful than the sort of thing sociology professors and political science professors are good at. This claim seems to me quite false. We humanities types are not useless, but we are not nearly as useful as Ross thinks. Our skill in practicing the hermeneutics of suspicion and our flair for detecting ambiguity and latent contradiction are talents with relatively limited application.

I quite agree that in order to find out what much of the electorate has on its minds these days one must turn to "what Ice Cube is rapping about, or whatever new kind of cyborg Arnold Schwartzenegger is impersonating," rather than to "the complete works of John Stuart Mill or even John Dewey." But the question is: once one finds out that those are the sorts of things that it has on its mind, what does one do about it? How does one use this knowledge of popular culture to change government and laws? How can one employ this knowledge in agitating for refunding Head Start or in generating popular support for a reversal of *Bowers v. Hardwick*? I cannot find any answer to such questions in Ross's writings.

I think that Ross and his colleagues are right when they point out the audacity and potential liberating effect of much of popular culture, though wrong in passing over the viciousness of other parts of that culture (for example, the scene in *Conan the Barbarian* in which Schwartzenegger snaps the homosexual's spine, or Ice Cube's rap about burning down Korean-owned shops). But I have no idea how they propose to redirect this audacity to purposes of social change. Perhaps one day we may look back on MTV as Havel now looks back on the Plastic People of the Universe, and on Schwarzenegger as we now look back on Jimmy Stewart in *Mr. Smith Goes to Washington,* but I doubt that analysis of the work of the MTV artists or of Schwarzenegger by professors of English will help realize this possibility. The Plastic People, Bob Dylan, and Jimmy Stewart did not need this sort of assist to play the role they did, and it is not clear to me why contemporary figures should need it.

Perhaps the English department left believes that an appreciation of the audacity of popular culture, once inculcated among college students who take English courses, will eventually trickle down to, and diffuse itself within, the consciousness of the general public. There is something to that belief. Whatever may be true about the appreciation of popular culture, it is at least the case that feminist attitudes, antiracist attitudes, and antihomophobic attitudes will so trickle. (It is also the case that these attitudes trickled down pretty steadily from college faculties to college graduates to noncollege graduates during the decades prior to the moment when, according to Ross, the left began to enjoy its "first real foothold in the North American academy.")

But it is one thing to say that what college students learn in humanities courses matters in long-term ways and another thing to say that the attention of Senator Helms, the *Wall Street Journal,* and so on to the English department left shows that this is a pretty effective and important left. This is like saying that the Filthy Speech Movement at Berkeley mattered a lot more than the Free Speech



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Movement because it got a lot more attention from the media and from right-wing politicians. As I see it, Senator Helms and Ice Cube take in each other's washing; if either did not exist, he would have to be invented by the other. Neither has much relevance to the possibility of social progress in this country.

The *Wall Street Journal* regards me as a far-out irrationalist, one more postmodernist corrupter of the youth. Ross, on the other hand, says that I am a "cultural conservative." Yet I suspect that Ross and I have mostly the same "positions vis-à-vis issues of race, ethnicity, sexuality, gender and ecology" — the issues that, he says, make up cultural politics. We should, I imagine, vote for most of each other's bills if we both got elected to Congress, and against the *Wall Street Journal*'s bills. My cultural conservatism amounts to no more than my opinion that the best way to get these positions adopted by the electorate is to argue for them in the old "plainspeak" ways, through statistics and anecdotes about selfishness and greed, praise for tolerance and equality, and reminders of the ways in which America has overcome inequality in the past. This strategy is characteristic of what Ross calls "liberal pragmatism" and "the liberal imagination."

Ross has said that "the liberal imagination . . . exercises and defends autonomous rights and privileges already achieved and possessed," as if prior to the development of the "liberatory" imagination no American leftists ever worked to *change* anything. If we put that canard to one side, it may be that all that Ross and I really disagree about is the relative efficacy of one or another means to achieve the ends we share. I do not expect "all political work to translate instantly into benefits for the poor," but I do expect leftists to keep in touch with the part of popular culture that is made up of debates about which candidate to vote for, which side to come down on in referenda, which organizations and popular initiatives to join. I do not think leftists should teach their students that "phallogocentrism" or "humanism" has to go before things can get better. For this implies that topics that only philosophically sophisticated intellectuals can grasp are politically more urgent than topics that the average voter can grasp. They are not. The whole idea of a universal adult franchise is based on the assumption that they are not.

Despite the interest of the topics that Ross discusses in *No Respect,* I find it hard to see what audience he envisages for that book, or what political service he thinks it performs. Discussion of such topics does little to keep us intellectuals in touch with the possibilities open for social change. Nor, to be sure, does discussion of the topics of my own books. But I would not claim that discussion of the latter, merely philosophical, topics will do much political good (except in *very* long-term, indirect, trickle-down ways). In contrast, Ross does seem to think that discussion of the cultural topics about which he writes will do quite a lot of relatively short-term political good; he thinks of himself as likely to "make a little history." I cannot see why he thinks this. As a San Franciscan friend remarked to me, the audacious and liberated culture of Berkeley—a culture that has been in place for twenty years, and within which Ross is read with relish and admiration—seems to have done no good at all for the people living across the border in Oakland. There seems every reason to expect that liberated English departments will remain picturesque enclaves. So I suspect that Ross and his friends, who believe themselves to be conducting cultural politics, may find that they have been engaged only in academic politics.

Let me concede that Ross is quite right to criticize me for defining "real politics" as politics "likely to redeem the balance of power between the rich and the poor." That was a dumb definition. I should have written "between the strong and the weak" so as to embrace issues of race and gender as well as of class within the scope of "real politics." My definition could be read as suggesting that, for example, the Hill-Thomas confrontation was not "real" politics. That would, indeed, be a silly suggestion. I should also concede to Ross that the English department left has been a lot better at directing the public's attention to some things than the Old Left was. In particular, without the power base that feminism has constructed within the academy, especially within English departments, the fury over the Senate's treatment of Hill would have been much less intense.

However, I think it important to note that, as David Bromwich says in a forthcoming book, in the triad of "race, class and gender" it is "class" that is currently losing out. The English department left has lots of thoughts about race and gender, but almost no ideas about class. In particular, it has no ideas about the political problem posed by the desertion of the Democrats by their traditional working-class constituencies (the desertion discussed in books like the Edsalls' *Chain Reaction*)—a desertion that has, in the United States, immensely increased the ability of the strong to do what they like to the weak. The English department left is acting as if it has a lot better things to do—a lot higher forms of political consciousness to have—than thinking about that problem. But until that problem is solved, the strong and the selfish will, in this country, steadily increase their power. □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Jeremy Larner

# THE NATURAL, THE REAL & THE SIGNIFICANT

One balmy spring evening I am honored to give the Diana Vreeland Lecture at the Institute of Cultural Significance in San Francisco. Here is a chance, I think, to discuss a new kind of socially oriented African-American feature movie. Yet I'm surprised, on arrival, to find my talk billed as "The New Voodoo," and a vending booth in the lobby selling T-shirts with names and slogans, blown-up photos of bygone movie stars, fashion and rock magazines, Elvis souvenirs, Madonna-style religious lingerie, combat-boot sneakers, and a battery of weaponlike jewelry. I note that the people buying this equipment, despite their garish makeup, appear to be well-dressed members of the professional classes.

My lecture analyzes four recent pictures as a revival of American naturalism, in the tradition of the novelist Theodore Dreiser, who saw the class struggle operating through overwhelming drives for sex, money, and power, with an individual who attempts to rise in status doomed to crush or be crushed. Richard Wright brought this perspective to black experience, writing searing stories of men and women battling for breathing space in the welter of industrial cities. In the postwar period, I speculate, such grim views no longer satisfied the possibilities of boom times and gave way to the number-one American cultural fable, the saga of the self-made man, gloriously unbound by his environment, embodied by a male star who is a spoiled pet on or off the screen, and likely to be directed by an artiste more interested in his own technique than in the supposed subject of his story.

Critics of Dreiser and Wright (among them many refined black artists) saw these large souls as crude and mechanistic, overlooking the tenderness they felt for their characters, even as they meticulously chronicled their undoings. I read to the strangely quiet audience a few passages describing Roberta in *An American Tragedy* and Booker in *Native Son*. I point to the rendering of city life as a dense web engulfing individuals who are rich or poor only as queens, drones, and workers in an insect hive—and therefore equal in their dreams, needs, schemes, and self-deceptions. The premise of such work is democratic to the core. It is an art of detail and accuracy. The reader is invited to rise above a broad social landscape, to look down and weep in recognition of the world where he or she, too, must play a role.

The naturalistic effect is well suited to movies, and until the 1950s, it is pursued in Western, country, and small-town as well as city movies, usually modified by fairytale romance and reassuring endings. Since World War II, movies have been increasingly given over to supercool robot heroes and stylized tales of violence. When racism is touched on, it's condensed into scenes of stylized drama, as when Sidney Poitier and Tony Curtis learn to love one another through escaping prison shackled in the same chains. In the meantime, selected black musicians and comedians achieve celebrity status without making a dent in the segregated, demoralized condition of the urban majority. And all along, the conditions that justify black naturalist movies remain largely unchanged. Only lately have we seen black artists of box-office power wanting to speak to the anger and wild street humor of the urban ghettoes. Once more, detail and accuracy count.

The film *Straight Out of Brooklyn* is pure naturalism, made on a shoestring by a black film student. The "only in America" orators should rejoice that a movie as homemade as this one found a national release. It's the story of a black teenager living in the Brooklyn projects, who sees his proud father trapped in a degrading job. When the father drinks and beats the mother, she tries to hide her bruises from the children. The family is pinched into an apartment as cramped as their choices. The boy develops a desperate plan to rip off the local drug distributor, and manages to buy a gun and coerce a few unsteady companions. What follows devastates the lives of all concerned, and would be melodra-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

matic were it not for the gritty believability of the people and the world that closes in on them.

On a more sophisticated level, every film (or "joint") of Spike Lee's can be seen as a raucous inner dialogue with the idea of naturalism. In a magazine called *Dissent* [which the audience hears as "Descent"], I once noted the nutty mix of high-flown fantasy, dark street humor, and simplistic politics that alternately bring *Do the Right Thing* to life, then kill it. In response to criticism, Lee rejected the idea that his texture should be true to life any more than that of "white" films. Black audiences, he said, are entitled to their own mythology. Yet the most affecting parts of his work are, unsurprisingly, those that seem most authentic. To watch a Lee joint is like seeing a wrenching, funny blues singer interrupted by the prancing choreography of costumed exhibitionists on MTV.

Stung by those who questioned the spray-painted, drug-free ghetto street in *Right Thing,* Lee triumphs in *Jungle Fever* with the supporting actors who play the hero's junkie brother and the brother's junkie woman, a couple who erupt from stupor into wild ranting fury, then collapse into zonked-out dependence. Alongside such explosiveness, Lee's more sober characters behave like puppets who announce messages and enact staged emotions. The love affair between the black architect and the white secretary is falsified by soapy dialogue and elaborate camera effects—yet Lee brilliantly catches the edgy bitterness of working-class white males hanging around a candy store and taunting one another. In the most haunting scene of the movie, he takes us through clusters and layers of jiving, nodding crack addicts in the smoky atmosphere of an abandoned building that has become the Taj Mahal crack house. The scene is a contemporary version of Dante's inferno—surreal, but believable—and speaks louder than a hundred aphorisms of hip correctness.

Now I come to two films I regard as the real thing, movies worthy of Richard Wright's mental toughness.

*Boyz N the Hood* is not out to impress with artiness, but with nearly every shot and word it tells the appalling story of why young black men in the ghetto are killing one another. There are a few paper-thin characters—like the hero's classy mother—but mostly what we get here is the spooky calm of blocks and blocks of houses sitting on small neat lawns, inside which people dive for cover as screeching cars and blasting guns rip the monotony. I wonder what George Bush would say? Would he recognize South Central L.A. as part of the world he governs? Government is present here only in the terrifying whir of hovering helicopters, the blast from their blades, and the probing of their spotlights at night. The story unfolds in episodes of male proving in a social pressure cooker, wherein even little boys play on the edge of death. The second lead, the rapper Ice Cube, gives a chilling performance as a born leader with no resources beyond his wit and courage, dedicated to protecting his comrades, whether in Vietnam or in "the 'hood." Even the young actor who plays Ice Cube as a boy conveys the dignity of the unintimidated doomed. The Ice Cube who returns from war has a thousand-mile stare of a man who will not provoke but will never back down. In his loyalty to the fortress of his family and friends, he glows with dogged caring—but the only venue for its expression is retaliation to the last drop of blood. And to this vision the movie is true. It does not revel in gore like fashionable holiday thrillers or sci fi blockbusters. Its impact comes from thwarted passion, from desire, from all-too-human vanity and love.

(More recently, Ice Cube plays Ice Cube in a video rapping out threats of violence to Korean grocers. To me, the MTV Ice Cube is a stance, a symbol, a flickering cutout. The *Boyz N the Hood* Ice Cube is the realler man.)

*Paris Is Burning* is a documentary of the mostly black "houses" in New York where "families" of transvestites engage in "vogueing" contests, camping down a runway or through a crowded dance floor impersonating specific categories of "hot" stylish women and macho men. It seems there are fifty trophies for different competitions, ranging from sexy T&A torches to Big Mamas to bikers to tough punks to gleaming military men. The spectators are also the competitors, and the showrooms are electric with savage wit, virtuoso grandstanding, sexual heat, and erotic good cheer. Let Robert Bly and his humorless drum-beaters match these guys for male bonding!

I make that comparison not merely for laughs. Since every transvestite role demands counterfeit or parody of people who believe themselves to be only what they seem, one expects at first to learn that underneath their costumes these actors are shallow, pathetic souls. *Au contraire!* The vogueing is intercut with interviews that reveal their subjects to be people of emotional range and depth. The house "mothers" are especially impressive. Perhaps it is the protean variety of the personalities around them, the knowledge that one both can and cannot make oneself, that lets them stand as towers of empathy and tolerance. They give the effect—unfakable, I think—of people who have seen much and live now with few judgments, grown rich in years and mellow in humor.



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Every time the camera cuts to "real" people walking up and down the street, they seem less like exemplars the voguers are trying to imitate and more like inadequate, narrowed, scaled-down, and but-toned-up role players. The made-up people radiate a vitality beyond the imaginations of their real-life counterparts. The effect is heightened when we follow one of the sexiest young voguers into the straight world, where in pursuit of her dream to become a full-fledged fashion model, she attends a reception of New York's most beautiful manne-quins. Though she is confidently, outrageously feminine in her own environment, she seems nervous, large and gawky in this sleek society. Still, compared to her, the regular models become shadowy, sallow, slight in feeling.

Another excursion centers on two preteen street boys who hang around the houses and identify with "the gay world." They say it doesn't bother them to have no families, no one to stand by them except each other. The defiant glee of their freedom has edges both higher pitched and sadder than that of more usual delinquents. They've seen more, can do more, but they've paid the price in vulnerability. Their heightened capacities are not likely to prevent the world from having its way with them.

We feel this all the more keenly in the show's final personality—a small, delicately pretty hooker, who tells how lonely she felt in her white, working-class family. She knew all along the only way out was to become a girl, and she is saving now for a sex-change operation. Seeing her among her stuffed animals in her teen girl's bedroom, one feels nothing bizarre; she is as feminine as anyone you'll meet. Her housemates love and protect her, but she has a wild streak, an impatience with the hypocrisy of middle-class tricks, that leads her into dangerous places. The film cuts from her vision of life as a beautiful and happy woman, to the discovery of her strangled body in a shabby hotel room. The viewer is shocked by the loss. She, like her surviving friends, moves us by the grace and daring of her efforts to transcend the world around her. For brief moments, she succeeds. But for all its surprising romance, *Paris Is Burning* is the most indelibly relentless of all these pictures. The night city is ruled by iron gods, who will not be mocked—

Unlike this writer, who receives a full round of booing from the lecture audience. The director of the Institute, Ringo Powdor (Ph.D in Mass Comm. Arts) and his sister, Puffie Vapour-Powdor, flown in from New York where she edits the definitive fash-cult magazine, sneak me out the back door and down the alley to a small bistro. Being British, they are understated; but oh, what a going-over they give me for my outmoded concepts of all things American and cinematic.

"Do you have the slightest idea why they booed you?" demands Puffie. "As a radical," I say, "I'm used to that."

"A radical? What does that mean? It was total colonialism for you to presume to analyze black culture. Good thing none of our African friends were there. The Africans don't want that. They can define their own terms. Absolutely none of the African-American film quarterlies would use a word like 'naturalism.' They talk about appropriation and reversal."

Worse, I'd spoken of film in terms of content. Content is a purely subjective matter, they inform me. Have I never heard of Einstein's theory of relativity? It was the Newtonian fallacy to imagine I could describe even one scene in a movie, when another person might not agree a scene was occurring. My language was ignorant of the fundamental nature of film, which is a mixture of images, angles, light, sound, shape, and so on, pouring in upon the human cerebrum in a conglom-erate of sensation.

"That's only if," I say stubbornly, "the cerebrum is not part of a mind capable of thought."

Ringo gives a hopeless sigh. He can see I've never read the French theorists and thus know nothing about American culture.

"You mean, the genius of Jerry Lewis?"

"No, the genius of Sartre, de Sade, Foucault, Artaud, Godard!" What I dismissed as the myth of the self-made man turns out to be the essence of existentialism, in which existence comes before essence. (Quite some time ago, too!) It was almost eighteenth century (at best!) to use a term like "reality."

"Just what standard should I use," I say, "if I'm trying to assess a film about the people around me, and find I don't believe a moment of it?"

"Film-makers don't show the people around *you*, they make images to signify their own visions! You don't have the slightest idea of what's happening in the African community! You see them as isolated, yet they're dominating the visual style of our time. Are you aware of Spike Lee's clothing factory, his line of retail stores, his TV commercials with Air Jordan bringing self-respect to homeboys who now see themselves worthy of two-hundred-dollar sneak-ers? And you cling to the plantation cliché that African America is impoverished, isolated, and culturally disadvantaged! You think ghetto life is a novel called *Grapes of Wrath Takes the A Train*."



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

His sister takes up the assault. "You presented *Paris Is Burning* as a hot paradox of alienation and authenticity. But vogueing is nothing new. Every with-it film person knows that the film's director, Jennie Livingston, finished her shooting years ago. By the time she got the funds to finish editing, the vogue houses had become the *in* places in Manhattan, with socialites paying a thousand a night to join the party. Now deal with *that* as a phenomenon of social oppression!"

And what did I really know about rap? Could I tell hip-hop from new jack swing or gangsta rap, Niggaz With Attitude from Digital Underground? Was I aware the Korean grocer persona was a traditional African signifier?

"Still," I persisted, "if all events and impressions are relative, what quality do you look for in a movie or in a book or song or object of art?"

"Significance," Puffie informs me. "Meaning," explains Ringo, "art as pure act, art as timing within cultural space, slashing new intersections between continuity and discontinuity that change forever the way we see things."

"Give me," I say, "an example of *significance*."

"Without doubt," says Puffie, "the most significant moment of last year was Norman Mailer's interview of Warren Beatty in *Vanity Fair*." It appeared, she reminds me, just before the release of Beatty's *Bugsy* and Mailer's *Harlot's Ghost*. It was decisive in terms of status—Mailer flew to Beatty, was a guest at his house, wrote about him—while Beatty's was the face on the cover, with a spontaneous expression created by the camera assistant's lowering her halter. And the romance—Mailer and Beatty fondly thumbing over the major women in their lives, referring to the anima shadow in anything but conventional macho expectations, hinting openly of female inspiration, almost collaboration! Then Mailer symbolically going to his knees—proposing that Beatty run for president. An acknowledgment of the supremacy of the visual image. Mailer's witchcraft mixture of the political and cultural—a whiff of the paranoid complexity of *Harlot's Ghost*—which in turn prefigures the diabolical intricacy of *JFK*. One really must add Oliver Stone. It's that triangle—Beatty/Mailer/Stone—that positioned our culture to enter a new zodiac in 1992. Plus the Ghost of John Kennedy and the Goddess figure of Marilyn Monroe.

"But would Beatty make a good President?" I wonder.

"Did Reagan?"

"You got me there."

But the point is the significance of Mailer's proposal as an act in itself. Until I grasp that, I'll never see how politics, art and show business have merged in the postmodern era into one discontinuous whole, perpetually ripe for deconstruction.

Still, that doesn't help me much reading a novel or watching a movie. *Bugsy*, for instance, how to enjoy it? I saw the director bouncing light off tiles, draperies, tabletops, skin, sand, and rain, but what was beautiful about gangsterism? I saw the sky change color over the desert when Beatty/Bugsy stepped out to piss and had a vision of a gambling center in Vegas. I laughed, but the movie seemed to take his idea seriously.

"What touching literalism!" exclaims Ringo. "Next you'll be questioning whether Ben Kingsley is Jewish!"

"No, but I was amazed to hear a dozen gentiles do thirteen different New York accents. And I did wonder what neighborhood it was, where Beatty as a kid took care of the older Kingsley? And haven't I heard that line in several hundred gangster pictures? 'He usta take care of me?' "

They congratulate me on catching a cultural referent. That was when, they say, you should have laughed.

"Then how about when Beatty is improbably beating up a tougher-looking rival, and stops to slick down his hair in the mirror?"

"That's where Mailer comes in. Narcissism is the medium of the existential rebel, as in Brando or James Dean."

"Is that rebellion, or a merchandized rebel outfit? How am I supposed to feel about Bugsy Siegel? I don't know whether to laugh or yawn. I keep seeing Warren Beatty trying so earnestly to be a deranged Jewish gangster who is funny and sensitive at heart and gets laid."

"But you're *supposed* to see Beatty! How could you not? This is where the sexual significance comes in. Beatty and Bening in the picture connect to Beatty and Bening off-screen, and the whole image of the ladies'-man figure of our time settling down to fatherhood. It related to the coordinated PR in all media, climaxed by the Mailer interview making the definitive connection between history, politics, image, and sexuality. Don't forget Mailer quoting Bugsy's speech in the movie about how a man who wants to steal from him wants to rape him."

"Is that true?"

"It's *significant!* It goes back to *Why Are We in Vietnam*? The macho challenge, Mailer's whole thing about no two men left alone without knowing which one could fuck the other."



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

"Glad we're not alone," I murmur to Ringo. "But how does this relate to the greatness of *Bugsy*?"

"The greatness was established," says Puffie, "by unconscious media unanimity. That's what we mean by the right act in the right space in historical time! That's why papers spend so much space now listing box receipts in every art area. And face it, people get off on *Bugsy* because it's sexy and stylish. It has a look. Just think of those suits. You'd have to get in line to buy one."

"What is the difference, then," I ask, "between critical analysis and a puff piece?"

"Nothing, obviously! Can it be you're catching on?"

"And if movie content is pure sensation, then Oliver Stone is the equivalent of Leni Riefenstahl?"

"Exactly, and that's a compliment!"

"And that's why we can't refer significant-style filmmaking like *JFK* to reality?"

"No one knows the Oswald reality. *JFK* redefines it for a whole new generation. And it gives us our first nineties rebel hero, in the Garrison figure. Like Mailer, who obsesses on John Kennedy, challenging his ghost, Stone makes all the connections between sex, death, power, and control of the media. That's why Beatty would make a great president, by the way—"

But here we were overtaken by a throng of chuckling TV interviewers, who lifted us on their thumbs and carried us on high across the Golden Gate Bridge at sunrise. □

CINEASTE

Published continually since 1967, *Cineaste* is today internationally recognized as America's leading magazine on the art and politics of the cinema. "A trenchant, eternally zestful magazine," says the *International Film Guide*, "in the forefront of American film periodicals. *Cineaste* always has something worth reading, and it permits its writers more space to develop ideas than most magazines."

Published quarterly, *Cineaste* covers the entire world of cinema—including Hollywood, the independents, Europe, and the Third World—with exclusive interviews, lively articles, and in-depth reviews. Subscribe now, or send $2 for a sample copy, and see what you've been missing!

$15 ($24 foreign) for 4 issues

*Cineaste*
P.O. Box 2242
New York, NY 10009



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Alan Ryan

# THE LEGACY OF JOHN DEWEY

JOHN DEWEY AND AMERICAN DEMOCRACY, by Robert Westbrook. Cornell University Press, 1991. 579 pp. $29.95.

Although it cannot compare with the collapse of the theory and practice of Marxian socialism in intellectual interest or geopolitical significance, the current revival of interest in the life and work of John Dewey is an astonishing phenomenon. It is a bit of a joke to speak of the death of the Marxist project and the rebirth of a respect for Dewey in the same breath, but they are to a degree connected. It is a platitude that the end of the cold war has left losers but no winners, and so leaves a sort of ideological vacuum. "Marxism-Leninism-Stalinism" is plainly dead, but neither laissez-faire nor the untidy compromise of the postwar welfare state seems terribly healthy. In particular, there is a dearth of nonutopian, nonnostalgic, institutionally serious radical thinking. Nobody suggests that Dewey's work can wholly fill this gap, but it seems to fill a surprising number of American intellectual needs.

The "back to Dewey" movement is fueled by more than a search for a distinctively American socialism. Richard Rorty admires Dewey's philosophical radicalism but preaches "post-modern bourgeois liberalism"; Robert Bellah and his colleagues have gone to Dewey in their account of *The Good Society* for a Durkheimian emphasis on social institutions that is communitarian rather than socialist; and Stephen Rockefeller's hefty biography, *John Dewey: Religious Faith and Democratic Humanism* (Columbia University Press, 1991), offers us an environmentalist Dewey of somewhat Buddhist religious leanings. Nor have those who thought ill of Dewey thirty years ago changed their minds; Christopher Lasch attacked Dewey as the theorist of corporatist manipulation in *The New Radicalism in America* and writes him off as a naive optimist in *The True and Only Heaven*.

Still, Robert Westbrook's splendid—if starry-eyed—new book on *John Dewey and American Democracy* offers many reasons to see Dewey as the spokesman of a distinctively American socialism, and to take him seriously as a man who played an exemplary role as an intellectual in politics and was a lively source of inspiration. So far as inspiration goes, one of Dewey's chief attractions is that he was the sort of engaged, politically active, publicly visible intellectual that everyone says is an extinct species, and that some professors wish they could revive in their own persons.

Westbrook is much struck by the contrast between what Michael Walzer dismissed as the radicalism of "professors writing for professors" and Dewey's own work. He ends *John Dewey and American Democracy* on a note of somewhat gloomy defiance:

> Very little of the sort of public philosophy that Dewey advocated and exemplified is being done these days, and we have no public intellectuals who can match him—or, indeed, his adversaries Randolph Bourne, Walter Lippmann, Lewis Mumford, and Reinhold Niebuhr. Perhaps the most pertinent suggestion one could make to help stem the decay of democracy in concluding a book I am painfully aware is likely to find an audience made up mostly of professors is to call on the audience not only for more Deweyan theory but also for more Deweyan practice.

The contrast is overdone. Dewey's life doesn't suggest he found it easier than we do to combine the academy and the hustings. He took an active part in politics only after he had retired from Columbia University in 1929. Before that, he had not been publicly active outside his own academic field. He helped to found the American Association of University Professors, and played a small role in founding the American Civil Liberties Union, when freedom of speech was threatened by the passions of the First World War; before the war, he had defended the right of schoolteachers to form their own union and had been honorary president of the New York Teachers Union. But when Nicholas Murray Butler and the Columbia trustees fired colleagues who were against American involvement in the First World War, Dewey didn't follow Charles



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

Beard in resigning from the university. Indeed, the episode did little to cool his own inflammatory attacks on pacifists and dissenters, though it may have led him to urge Americans not to fight Hitler two decades later.

Most of Dewey's career was passed in universities where overt partisanship would have cost him his job. His national reputation as a philosopher and educational reformer dated from the years—1894–1904—he spent in Chicago; but, as Westbrook points out, the University of Chicago was the child of John D. Rockefeller, and Rockefeller did not take kindly to professors who bad-mouthed the capitalist order and those who profited from it. Economists who did it were simply sacked. Dewey's letters to his children are full of acerbic observations about the battles between employers and workers that rocked Chicago in the eighties and nineties, and his sympathies are invariably with the workers; nonetheless, his only practical interventions in those years were in Jane Addams's Hull House and in the Laboratory School that he founded.

It was not merely external pressures that inhibited Dewey. He also had a strong sense that philosophers as such had no particular expertise, no party line that Truth or Reason told them to follow. Philosophy offered methodological insights rather than immediate instructions, and Dewey's passionate but arm's-length engagement with the politics of his day was deeply rooted in his philosophy. Certainly that philosophy anathematized *dis*engagement. His philosophy was essentially activist, committed to the unity of theory and practice—though he took Jefferson, not Marx, as his philosophical hero. He described that position as "instrumentalism" or, more often, "experimentalism"; its basic tenet was that thought was not so much a means to action as an aspect of it.

All creatures cope with the world by reacting to the "problems" it sets them, and thereafter to the problems that the world they have modified now sets them. Humans do it more thoughtfully than other creatures, but problem solving for the sake of organic survival is common to all organisms, and Rorty aptly describes Dewey's view of human existence as "one more species doing its best." Dewey stressed the *doing* pretty intensely; there was no gap between thought and activity because thought was bundled up into activity. "Experience," a key term of Dewey's worldview, was itself explained in these activist terms; mere physical interaction between organism and the world was not experience, only those interactions that we actively organize in order to promote our purposes.

At times this had politically ludicrous results. During the First World War, Dewey shared the *New Republic*'s conviction that the United States should be "active"—though not so active that it should join in the fighting. Randolph Bourne condemned this as silly. Westbrook agrees with him, as have most commentators. Generally, it meant that Dewey escaped or—to use Cornel West's nice term "evaded"—the traditional problems of philosophy. All the usual dualisms were brushed under the metaphysical rug; there was no mind-body duality, no fact-value gap, no conflict between science and religion or between democracy and a regard for the claims of intellect rather than numbers. Everything was explained in terms of the individual or social organism confronting its "problems," nothing needed explaining in terms of unbridgeable metaphysical chasms. They were illusions. The universe was not the cold, bleak place that Russell's lachrymose essay on "A Free Man's Worship" had described; mankind was not "thrown into the world" in the way Heidegger described. Philosophical posturing of this sort simply got in the way of "adaptation."

Much of this might have been borrowed from the late nineteenth-century English Idealists, and some of it was. Although he somewhat underestimates just how deep the affiliation went, Westbrook does a good job of explaining the importance of T.H. Green to the young Dewey who read him in the 1880s, when he was working his way out of the Congregationalism in which he had been reared in Vermont, first to the "social gospel" and then to the social democratic "experimentalism" he espoused thereafter. For those who want the flavor of the period as well as the logic of its debates, Stephen Rockefeller does an even better job—he is in less of a hurry to get to Dewey the secular social democrat.

Both in Britain and in the United States, Green appealed to readers who wished to square their philosophical and political views with "religion" but did not want to carry the metaphysical baggage of traditional Christianity. Dewey early decided that a "religious" outlook was valuable but "supernaturalism" irrational. In Green he found a philosophy that—to put it vulgarly—treated Christianity as a metaphor for membership in a community of mutually concerned citizens. "It is in democracy," wrote Dewey, "that the community of ideas and interests through community of action, that the incarnation of God in man (man, that is to say as organ of universal truth) becomes a living, present thing. . . ."



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

In the end, Dewey decided that even diluted supernaturalism was too much. He performed the small miracle of grafting Darwin onto Hegel, seeing humanity driven à la Darwin by the needs of organic survival while striving à la Hegel for a greater and greater degree of organic unity. "Supernaturalism" was fended off, while its attractions were not forgone. Dewey himself never saw it quite like this. When Russell teased him about the residually Hegelian elements in his work, Dewey responded grumpily by repeating (almost endlessly) his aversion to "absolutism." This was a defense against a blow not struck. Dewey was right to say his philosophical career had been built around his hatred of absolutes. It didn't follow that his enthusiasm for organic metaphors in every area of intellectual, cultural, and political life was as scientific as he supposed.

What Dewey devised was a powerful intellectual apparatus for his own purposes. These purposes were pretty wide—*John Dewey and American Democracy* is nearly six hundred pages long, and one never has the sense that Westbrook is descending to needless detail. One purpose was to escape the traditional philosophical battles between idealists and materialists, empiricists and transcendentalists, and write a new kind of philosophy, philosophy as "cultural criticism." A central element of our culture is supplied by modern science, and a central part of Deweyan cultural criticism had to be about how we—modern, secular, North American "we"—organized our dealings with the world and one another.

This had a practical purpose. Dewey loaded the odds in favor of his own political preferences by insisting that there were only three ways of dealing with the world: habit, coercive violence, and intelligent action. What he calls "renascent liberalism," and anyone else might have called social democracy, just is intelligent action. Put like that, it was no contest. It was not that there were conclusive *moral* arguments against either habit or violence, though violence is morally obnoxious; rather, we could do better than that. Stagnation and violence are foreign to a community that can achieve its ends by self-conscious reflection on what its "ends-in-view" are, and by intelligent action to achieve them. The same procedure showed that capitalism was not the fulfillment of industrial organization but at odds with its true meaning; capitalism involves the tyranny of owners over workers, while a modern view of production would emphasize the workers' capacity for intelligent self-direction. Much like Green, and a little like the early Marx, Dewey thought that the capitalists, also, got less out of capitalism than they should; their private goals were at odds with their social functions, and this disharmony must breed dissatisfaction.

Dewey produced a seamless web of theory, ranging from manifestos such as *Reconstruction in Philosophy* and *The Quest for Certainty* by way of *Experience and Nature,* or *Nature and Conduct* to *Democracy and Education* and *The School and Society,* where he spelled out his view of how we know what "intelligent action" is, how it applies to science, ethics, politics, and education. The critically minded—Professor Westbrook is not among them—might complain that Dewey tended to dissolve every subject into an amorphous stew. Democracy was education in action; conversely, education at its best turns out to be democracy. The anxieties articulated by Mill and de Tocqueville vanish; we need not worry whether democracy is sufficiently mindful of excellence because it is democracy only when it is sufficiently mindful of the need to expand the ways in which experience is richly, complexly, and consciously understood. Democracies are, by definition, intelligently organized and governed.

It would be unkind and inaccurate to suppose that Dewey actually *meant* to hide real intellectual and social conflict or just failed to see the problem. Dewey was the last person to think serious issues could be settled by verbal tricks—and with Walter Lippmann pressing the claims of intelligence against those of "the public," he could hardly have ignored the question. Dewey was highly critical of the unintelligent conduct of American government, and vigorously said so in such famous essays as *Liberalism and Social Action*. The stronger objection is that Dewey's reformulation of the standard problem is no improvement on the old formulation of "elite intelligence versus mass gullibility." To say that democracy is failing to live up to its potential when it behaves unintelligently leaves us where we were.

That is, it leaves us looking for political institutions that can select competent but accessible specialists, bold but not arrogant political leaders, sensitive but not over-malleable representatives—just as every democratic political theorist has tried to do since a little before the days of Plato. Not even Professor Westbrook suggests that institutional thinking was Dewey's strong suit. Dewey certainly did not. In his engaging autobiographical essay "From Absolutism to Experimentalism," he says his readers' impression that he is naturally a concrete and "applied" kind of philosopher is a mistake. His natural bent is toward the formal and the abstract; but all his life he has tried to work against it. He



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

gives the impression that he feels he hasn't been wholly successful.

Certainly he produced a philosophical system that repudiated most of the familiar philosophical dualisms—mind and body, thought and action, individual and society; in the process, it conveyed a tremendous sense of intellectual bustle. But it does not yield any particular institutional results. For all his demands that philosophers turn from "the problems of philosophy" to "the problems of men," most of Dewey's arguments are leveled at other philosophical systems and meant to repudiate views that made a fetish of one-half of a contrast by claiming, say, that individuals were *nothing but* facets of society or that society was *nothing but* a collection of individuals.

We must not exaggerate. Even without any direct and immediate institutional implications, they imparted a characteristic flavor to Dewey's view of politics. He could not be happy with a view of democracy that saw it as merely a voting device whereby a numerical majority got its way; "government by numbers" was no doubt at odds with "government by intelligence," but "government by numbers" was not a proper rendition of democracy. "Democracy" in the American sense was a new way of adjusting the social organism to its environment; it was essentially modern, appropriate to the world that Jefferson had hoped to create. American democracy was a "religious" creed—not because democrats had to believe the dogmas of some particular faith but because they had to believe in the potentialities of the common man and in the possibility that a community of democratic individuals could govern its common affairs by drawing on the intelligence of everyone, not a favored few.

The critically inclined will not be appeased. They may agree that it is fair enough to claim that we must go beyond institutions to their cultural and psychological supports. But it is not a substitute for cashing out the institutional implications of this hankering after "democracy." One of Westbrook's many merits is that he is decently ambivalent about the answer to such complaints. One of his answers is that Dewey is guilty as charged. He agrees that Dewey was vague about the institutional future of democracy. In discussing industrial democracy, for instance, Dewey never tackled such standard issues as how we can reconcile efficient production with democratic management. Again, he never thought much about how to introduce industrial democracy.

If writers like David Miller are right, the theoretical possibility that an economy of workers' cooperatives can be as efficient as an economy of capitalist-owned firms is not enough to ensure that cooperatives can survive in competition with capitalist-owned firms. If that is true, industrial democracy might cost us nothing in efficiency, but it would cost us a good deal in freedom, if we had to forbid people from setting up capitalist-owned firms in competition with worker-owned firms. Or we would have to think how to persuade them not to do it when they were tempted to. On such complications, Dewey was silent.

As a political moralist, Dewey was eloquent and persuasive. His great claim was that so far from good ends justifying bad means, bad means would infallibly corrupt the good end. This was Dewey's invariable response to criticism from the communists all through the 1930s and 1940s. It was not squeamishness to repudiate violence and deceit, it was morally prudent. Whether violence and deceit worked or not to achieve immediate power, the price they exacted was too high. This is hard to deny, but it still leaves open how to institutionalize the restraints on misbehavior that such principles commend.

Westbrook's other answer is given implicitly rather than explicitly, and it is given throughout the book. This is that Dewey's obsession with grounding democracy in the culture and the psyche of modern Americans *is* a sort of answer to the question of how to institutionalize democracy, but it is an answer that takes an unfamiliar view of institutions. That is, *everything*—or almost everything—in Dewey's work is an answer to the question of how to institutionalize democracy. Not only his political writings, academic and popular, but *Art as Experience,* his textbooks on ethics, *Nature and Experience* as well as *Nature and Conduct,* his logic as well as *A Common Faith,* are all of them part of the answer to the question of how we can institutionalize democracy in such a way that Jefferson's fears about majority tyranny and Mill's fears about mass stupidity are unfulfilled.

We ought not to concentrate on Dewey's failure to tell us whether a system of proportional representation, properly engineered to escape the familiar difficulties, would allow for the representation of unpopular opinions, intellectual elites, or whatever else; we ought to concentrate on the way he connects narrowly political issues in democratic thinking to wider issues of cultural, educational, and intellectual democracy.

There are some familiar areas of Dewey's work where this approach shows Dewey to advantage. One is Dewey's treatment of religion. Dewey was brought up a devout though liberal Congregational-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ist. His mother was a proselytizer anxious to see that her neighbors and her children should be "right with Jesus." Dewey loathed all this, but remained conventionally Christian until he was nearly forty—his early philosophical writings are full of the diluted Christian apologetics that were the common currency of the time. But he abandoned formal church membership and to all appearances any active Christian faith at about the time he found his own philosophical voice. It was not a conversion out of the religious mode of thought, however. It was, as commentators have said, a move toward "adjectival religion." The "religious attitude" was important, even though "supernaturalism" was superstitious.

In the 1930s conventionally Christian critics complained that Dewey eviscerated faith by rejecting supernaturalism, and it is hard not to feel some sympathy for them—though Professor Westbrook feels none. Those of us who make a point of atheism side with the devout, since Dewey's apparent inability to see what the devout were about applies equally to committed *dis*believers. Dewey, of course, was eager to defend the attractions of what he aptly titled *A Common Faith,* and Westbrook admires the way Dewey borrowed Wordsworth's "natural piety" to describe the proper attitude to nature and society. Although this allows Westbrook to do a nice job of linking Dewey's approach to religion and the aesthetics of *Art as Experience,* one sorely misses a touch of skepticism about the project.

When Dewey's left-wing friends complained that *A Common Faith* gave aid and comfort to the enemy, Dewey could only reply that if other people got some comfort from using the term "God" to describe those forces in the world that seem to be on the side of goodness, that was enough for him. This seems a pretty thin view of what belief in God amounts to, and Dewey's invocation of Wordsworth only makes more glaring the contrast between *his* notion of natural piety and Wordsworth's awestruck sense of the divine power that animated the natural world. Nor is Dewey much more convincing about the connection between art and politics. How much more than a sleight of hand links democracy and aesthetic appreciation? Dewey's concrete examples outside the pages of *Art as Experience* boil down to little speeches praising the Post Office for painting murals on local post office walls. Does any of this even begin to meet the case made in, say, the Frankfurt School's critique of "mass society" and its stupefying effect on taste?

Westbrook confesses in a footnote that he began by thinking, as Christopher Lasch did, that Dewey was a lackey of "corporate liberalism," and his educational and political theories more or less consciously put forth as techniques of social control. It is certainly all to the good that he no longer holds that erroneous view. In rejecting it, however, he has emulated the hero of Thurber's famous tale of "The Bear Who Could Take It or Leave It Alone." The bear of the title gets drunk, turns cartwheels in the front hall, and terrifies his wife and family; upon giving up the booze, he takes up calisthenics, displays his new-found health by turning cartwheels in the front hall, and terrifies his wife and family. The moral is that it is as bad to fall flat on your back as to fall flat on your face.

Professor Westbrook has come to think that Dewey was a radical democrat with much in common with the Students for a Democratic Society (SDS). He disapproves of Dewey's support of the First World War, blurs the real differences between Bourne and Dewey by playing down both Bourne's radical individualism and Dewey's latent étatisme, has altogether too little to say about Dewey's failure to understand Hitler's threat to the whole of Western civilization, and deplores Dewey's post–1945 support for the policy of containing Stalin's Russia. He so wants Dewey to be a member of SDS that he never wonders whether Dewey *could* simultaneously be a sort of socialist and a thoroughgoing *American* liberal, and by the same token never finds an unkind word to say about the glorious unrealism of Dewey's complaints against Roosevelt's New Deal—which certainly fell far short of socialism, but also went a lot further than anyone could have predicted in 1933.

These are for the most part blemishes on a splendid book. But they provoke a larger anxiety. Westbrook is right to emphasize the way Dewey self-consciously meant his philosophy to represent a modern democratic society thinking out loud. That was how he satisfied his own injunction to turn from the problems of philosophy to the problems of men. It also allowed him to say that philosophy was essentially cultural criticism without belittling philosophy. But part of the trick was to give an account of democracy that made its democratic character intrinsically philosophical—to define democracy in terms of the rich, complex, egalitarian communication of experience.

Without taking sides over the intrinsic persuasiveness of Dewey's account, we may still wonder whether Westbrook has struck the right balance in his treatment, whether he has not over-politicized Dewey. Dewey's extraordinary standing as more or less the embodiment of American thought owed more than Westbrook quite allows to the care Dewey took not to disturb the continuity between nineteenth-century theology and twentieth-century phi-



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

losophy. Bertrand Russell broke that continuity much more brutally than Dewey, and alarmed the public accordingly. His politics and Dewey's were almost indistinguishable, but he was infinitely more bloody minded about the uncomfortable nature of modern philosophy.

This suggests that Dewey, so to speak, got away with his political radicalism by wrapping it in an essentially cozy philosophy. If politics had occupied the primary place in Dewey's work that Westbrook suggests, he would surely have been seen by the public as the dangerous radical that Westbrook thinks he was, and he would not have died in the odor of sanctity he did. To put it slightly differently, one reason Dewey is not recognized as the grand old man of a distinctively American socialism is that, for all his many virtues, he wasn't anything of the sort.□

## Alfred Kazin

## MAILER'S ROMANCE WITH THE CIA

HARLOT'S GHOST, by Norman Mailer. Random House, 1991. 1,310 pp. $30.

*Harlot's Ghost* opens on a fog-ridden winter night in Maine, 1983, when the narrator, a CIA operative and Yale graduate named Herrick (Harry) Hubbard, is with fear in his heart driving along perilously icy roads to his mystery-shrouded home on Mount Desert Island. Although he can't wait to meet up with his wife, Hadley Kittredge Gardiner Montague, a beautiful and inordinately brilliant psychologist for the CIA, it is not just the dark and icy roads that have filled him with fear and trembling this strange evening. He has just been heartily fornicating with his mistress, a waitress named Chloe, who provides plain bountiful satisfactions in bed but cannot possibly make up for his absence from his distinguished wife.

Kittredge, as she is known to her set, is so original in every sense that she frightens Harry rather more than he knows. And then there is the guilt. Kittredge's first husband was Hugh Tremont Montague, a.k.a. Harlot, a legend in the CIA, the most doggedly anticommunist of its chieftains, who was Harry's godfather in every political sense. His mentor in all things, his true father-figure (his alcoholic and libidinous actual parent, Boardman Kimball [Cal] Hubbard, another CIA big shot, is nowhere as big and splendid as Harlot).

Kittredge and Harry had a long secret affair, largely by correspondence between the different stations to which Langley assigned them, before she matrimonially exchanged Harlot for Harry. There was never any question in her mind, or in Harry's, that Harlot is the superior figure. She adored him, adores him still, although with a certain fear. Harlot lost their only son, Christopher, in a rock climbing accident. Harlot, addicted to rock climbing as a test of manly courage, took the young Harry rock climbing to see whether he was a suitable candidate for the CIA. Harlot is now permanently sentenced to a wheelchair after a bad fall in the same incident, sexually *hors de combat*.

Harry arrives at "The Keep" only to find Kittredge's door closed to him and the lady talking to the dead Harlot. Harlot, we discover from Arnold Rosen, a CIA agent in charge of a team patrolling the house, supposedly shot himself in the face while sitting in a boat on the Potomac, so destroying his face that no one can positively identify him. This has produced an unprecedented crisis in the higher echelons of the CIA, for while it is natural to suspect that so zealous a hunter of communist moles was done in by agents of the evil empire, one thing after another leads Harry to suspect that his spiritual father and mentor may all this while have been a KGB agent himself and have arranged his "death" so as to get himself to Russia. So Harry must get himself there too, in order to solve the mystery, if there is one. He takes his secret memoirs of life in the CIA with him, and the rest of the 1,310 pages relate his past adventures in Berlin, Montevideo, Florida on the eve of the Bay of Pigs, where he lived the full rich life with everybody worth writing about (including the mistress President Kennedy shared with Frank Sinatra, the Mafia don Sam Giancana, and others of like importance).

The book goes downhill after the gothic opening, which displays Mailer's considerable powers of fantasy to such advantage, what with still more splendidly named New England ancestors skulking in the mysterious history of the house (which of course burns down) and Kittredge sounding as loony as the voices Harry hears in the wind on his drive home. The shift to Harry's experiences in the CIA, although full of sex and adventure and real VIPs by the ton, is just testimony to Mailer's fascination with the power emanating from the highest places—a power that enthralls and dominates him far more than any objections and resentments he may ever have felt about the uses of that power.

For some time now "history as a novel, the novel



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

as history" have become entwined in Mailer's sense of what is worth reporting and enlarging on in the always tumultuous American scene. Even when he was simply the novelist—*The Naked and the Dead, Barbary Shore, The Deer Park*—he was the political novelist, less interested in people than in their representative actions. Sex in Mailer was always a power relation, and the male always first saw his sexual life as one of domination. All this was vital and believable enough, reflective enough of our mores. But what colored Mailer's new journalism, the nonfiction novel and all those other high-strutting exercises in showing ordinary journalists how a real artist could turn the storm of available facts into art and history at once, was his insistence on being all over the place. It was hard to tell the sensationalism he was so fascinated by from the author whose swaggering voice he seemed to be most proud of. For me, at least, it was the constant intrusion of Mailer's own persona—high-living, reckless, belligerent, defiant, always acting up over extraordinary social material that did not need so much parading of self—that for all my awareness of Mailer's exceptional gifts made me think of him as devoted to the passing performance, not whatever it is in our culture that has the slightest chance of lasting.

Even as we are enthralled by the atmosphere—the several atmospheres—Mailer builds up in the gothic opening of the book, we can't miss the literary artificiality, the posturing and pretense Mailer brings to the totally unreal Kittredge and everything we learn indirectly about the even more unreal master figure of Hugh Tremont Montague, Harlot.

To start with, you can't overlook the portentous inflation of tone with which Mailer summons us to regard people whose blue-blood pedigree is meant to indicate the old-boy network at the CIA. No Bill Casey here with his famously confusing mumble, no Bob Gates with his flat Midwestern voice. Just as "there was ceremony to embracing Kittredge," just as Harlot always appears as a lordly figure "having sanction," so Harry's father, taking his son to lunch at "21," cannot unfold his napkin without saying "I haven't seen a superior hell of a lot of you lately." I recognize Mailer's gift of mimicry, but in this instance as in Cal Hubbard's insistence in every restaurant on sitting with his back to the wall, the inspiration is Hemingway (as usual with Mailer) and not the proconsuls living it up who at the same time were determined to give a special cast to the war against the evil empire.

Yes, America at large in the world after World War II produced a race of glibly Europeanized cold warriors who looked down on local fanatics like J. Edgar Hoover, Congress, and the yet-to-be instructed American people. All this is in Mailer's book. But what is missing is the political sharpness one expects of a novel by a sort of radical about the CIA, an organization that owes its secret budget and equally secret privileges to the national security state. The reactionary feistiness within the CIA was encouraged by the rightist bureaucrats, not a few of them ex-radicals, who brought the obedient habits of a lifetime to their Manichaean view of the world. All this was grist to the mill of a rightist professional politician like Casey, the ultimate intriguer whose career, like that of Oliver North, epitomizes our period.

Mailer is more interested in society than he is in the state. And by "society" he means top people, people extraordinary in their quirkiness and freaky opinions, people who are all characteristics that reflect nothing of their actual function in society—this time meaning their professional assistance to the national security state. Kittredge is supposed to be a CIA psychologist of awesome originality. But aside from helping to encourage the experiments with LSD that led to its being secretly planted in the drink of a staff member who responded by jumping out of the window, the chief example of her profundity is her thesis that we are all split types, "Alpha" and "Omega," public and private.

This is a familiar feature of Mailer's thinking. Its possible relevance here, never really developed, is no doubt to the types that go into espionage. Harlot, the leading character whose hypothetical links to the KGB and defection to the Soviets provide the "thriller" function of the book, generally talks like a zany bishop, seeing Christ as the only inspiration and message in our war against godless communism. Even if you grant that his Christianity is so intense and apocalyptic that it could account for his (hypothetical) switch to communism as the supposed voice of the wretched of the earth, there is nothing in Harlot's public character that gives any hint of such concern. He is sadistic in testing possible recruits to the CIA on perilous rock climbs. He loses his only son by forcing him to such a test. And being a leading Mailer character, he is a positive demon in bed.

Which brings me to Mailer's fascination with secrecy, which in this book has less to do with espionage than with adultery. Harry Hubbard, far from being a patrician Yalie recruited on graduation into the CIA like George Bush (a fact I have from one of his classmates), but slightly out of line, is a dissident figure like Mailer himself. Harry in his



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

many travels within CIA territory—Washington, Berlin, Montevideo—performs, performs, performs, mostly in bed. Mailer gets so wrapped up trying to cover everything in CIA history, from the tunnel built into East Berlin to tap Soviet communications to the involvement with the Bay of Pigs, to the atmosphere on the eve of the assassination (no actual murder plot is uncovered here), that we follow Harry's progress by his conquests.

All this CIA stuff becomes as familiar as old newspapers. Mailer says in an author's note that he read almost a hundred books on the CIA, and I believe him, for most of the stuff on training and secret communications obviously comes from his reading. It is really startling to see how stale all this documentation of the cold war era has become. Harry Hubbard's many adventures in Mailer's sex land are as routine by now as the news that Kennedy was another operator in this land. Mailer has to compete for most of the book with the media and the biography industry, which makes it all the more necessary for him to put a sexual spin on everything. Performance is everything in Mailer's world, sentence by sentence and scene by scene. But after enough hundreds of pages have been absorbed, you recognize with a sinking heart that you know exactly where the book is going—and that there will be no surprises in it.

Where, I wonder, are the Soviet specialists and university scholars whose role in the CIA has been so pernicious that Harvard has not allowed classified intelligence research on campus since the 1950s? The president of the Rochester Institute of Technology has admitted working for the CIA while on leave. The institute had a secret agreement that gave the CIA influence over curriculum. Information about the relationship had been kept secret by the administration. Employees at a university-owned research corporation shredded bales of documents once a panel investigation had begun. Faculty members discovered that they could be subjected to national security reviews without their knowledge. The only (ex-) CIA agent I have ever known was a professor of English, a specialist in the history of English meter who had operated in Africa. For reasons not divulged, he once asked to borrow a painter's studio in which I worked by day. His thank-you note said "Thanks for hiding me."

In Mailer's history book, hedonism, not political fanaticism like that of James Jesus Angleton, keeps intelligence services on their toes; and the sex is not so much a matter of lust as of random adventure and betrayal. Espionage fiction in the Le Carre era dealt less with the enemy than with the need to uncover "moles" within one's own ranks. Seven and more years ago, when Mailer began this very very big book (which is to be continued), he may have been intensely suspicious of the CIA. Not now he is. He is envious of what he supposes—sheer fantasy—to be its social glitter and ease. In a world of deceit, *they* know how to keep up appearances. □

## George Scialabba

## A PARTICIPATORY ECONOMY

LOOKING FORWARD: PARTICIPATORY ECONOMICS FOR THE TWENTY-FIRST CENTURY, by Michael Albert and Robin Hahnel. South End Press, 1991. 153 pp., $10.00.

THE POLITICAL ECONOMY OF PARTICIPATORY ECONOMICS, by Michael Albert and Robin Hahnel. Princeton University Press, 1991. 132 pp., $12.95.

The responsibility of intellectuals includes not only "a ruthless criticism of all things existing" (Marx), which is what most people on the left are usually occupied with, but also the imagination of alternatives. Not many writers have made lasting contributions to this task: Edward Bellamy, William Morris, H.G. Wells, Ernest Callenbach, a few others, depending on one's taste in utopias. Actually, it's rare these days to have any taste at all for utopias. On the contrary, most political intellectuals profess a definite distaste for utopian or visionary speculation. After a century of political atrocities, utopians are almost universally assumed to be either *naifs* or proto-totalitarians.

For more than a decade and through a half-dozen books, Michael Albert and Robin Hahnel have blithely, or doggedly, disregarded this assumption. Virtually alone among contemporary American political writers, they have elaborated in detail a vision of social organization that is radically new yet does not, or so they argue, require an instantaneous and miraculous transformation of human nature. By now these two have become like theoretical mosquitoes in the darkened room of the American left. Only the most slumbrous or strong-willed can ignore their buzzing and get to sleep; the rest of us will have to turn on the light and chase them around for a while.

Most economists believe that a modern economy can function only through one of two mechanisms: market exchange, with perhaps some degree of regulation; or central planning by a state bureaucracy. Since the collapse of the Soviet empire, and long before, the inferiority of central planning has



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

been obvious. The desirability of markets, within whatever limits, is now an article of faith among political and economic writers, the premise even of democratic socialists, perhaps most notably Robert Heilbroner and Alec Nove, and including recent writers in *Dissent*.

Albert and Hahnel reject this premise. Though they emphatically repudiate central planning, their criticism of markets is no less uncompromising. They propose a set of criteria for judging economic institutions: efficiency, equity, self-management, solidarity, and variety; and they offer mathematical proof of the inability of markets, compared with cooperative, participatory economic institutions, to satisfy these criteria. To be precise, in the books under review they mostly offer simplified or summary proofs, referring the reader to their previous volume, *Quiet Revolution in Welfare Economics* (Princeton, 1990), for a full-scale treatment.

Of course they rehearse the usual informal arguments as well, which are a quite sufficient indictment of capitalism. But the main novelty and interest of these two books—*The Political Economy of Participatory Economics* is addressed to professional economists, *Looking Forward* to the general reader—lies on the constructive rather than the critical side, in their detailed institutional specification of an egalitarian, self-managed society.

In such a society, the enormous differences of work-related status, authority, pleasure, and self-respect—quite apart from income—that currently prevail could not exist. Regardless of income distribution, one cannot have a society of equals if a great many people do work that most others do not fundamentally respect, admire, enjoy, or need. For that matter, an egalitarian income distribution will itself be unstable in such circumstances, since the fortunate minority (or majority) who do more valuable work will sooner or later yield to the temptation to exploit their unequal social power.

The solution—there is no blinking it—is to allow everyone to do useful and fulfilling work. The means? "Balanced job complexes" for all, roughly equal in difficulty, satisfaction, and importance. These are designed by the employees in each workplace, assisted and overseen by industry-wide and economy-wide Facilitation Boards. The latter compile and disseminate information, both quantitative and qualitative, about working conditions and productivity, among other things. Workers use this information to modify their job description from year to year, as well as to change jobs. Obviously, precise equality among job complexes is impossible; the important thing is that everyone have enough of both conceptual and rote work to feel like everyone else's social and political equal.

To take one of Albert and Hahnel's examples: everyone in a publishing house does some editorial work, some business/production work, and some clerical/maintenance work. Individual taste and aptitude determine exactly who does what, as long as everyone does enough of each to satisfy his or her co-workers' sense (supplemented by quantitative ratings of various tasks by the Facilitation Boards) of fairness. A company-wide council makes decisions about matters that affect the enterprise as a whole; smaller decisions are made by smaller councils. Albert and Hahnel emphasize (hallelujah!) that not all decisions need be made collectively. "Participatory organization allows democracy without nosiness."

Balanced job complexes, though a lot to swallow, will probably seem to most readers the least outlandish aspect of *Looking Forward*. Market socialists and even many nonsocialists concede, in principle at any rate, the value of flexible, nonhierarchical relations within enterprises. It is relations among enterprises that allegedly demonstrates the indispensability of the market. Only a market mechanism, in this view, can handle the enormous volume of information necessary to set realistic prices and direct resources efficiently into new investment. How, then, might productive resources be allocated and investment decisions made in a nonmarket, participatory society?

In pseudosocialist, authoritarian systems, firms may propose but central planners dispose. In Albert and Hahnel's model, workers and consumers propose; Facilitation Boards receive, collate, and feed back these proposals; and eventually, after several (theoretically) converging rounds, workers and consumers, or their representatives, dispose. They agree on national, regional, and local plans matching input to output, production to consumption. These plans specify, within limits, the resources available to an industry and its member firms and the output expected of them, as well as the overall menu of goods and services available for consumption, which is an aggregate of the consumption bundles requested by households and neighborhoods.

Before the first round of proposals, Facilitation Boards compute indicative prices and wages, which are based on previous years' demand and on production requirements, and which represent the average social cost of each class of goods and services and of labor. Consumers take these prices



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

into account when formulating initial requests, and workers adjust their resource requests and proposed schedules to accommodate unsatisfied demand as well as their own convenience and ambitions.

After each round, or iteration, the Facilitation Board sums requests, revises indicative prices and labor costs, and reports the results. At some point in this "bargaining" process, consumers must limit changes in their requests for a good or service to a fixed percentage of the per capita excess supply or demand for that good. Likewise, producers limit changes in requested hours and materials in accordance with excess supply or demand for their labor. Also, at some point individual consumer and producer requests are aggregated by neighborhood or workplace. These provisions ensure, or at least promote, eventual convergence toward equilibrium, that is, the emergence of a feasible plan.

It will also be a flexible plan. Goods and services are aggregated into classes, with demographic data supplying guidelines for size, color, style, and other individual characteristics. If that sounds faintly (and ominously) like bureaucratic-collectivist jargon, it is, on the contrary, Albert and Hahnel claim, exactly what markets do. "The whole idea of averages allowing localized fluctuations with minimal inconvenience to producers works rather similarly in market . . . economies." So there will be no need to foresee one's yearly consumption in detail.

There will be no problem, either, with saving, borrowing, earning extra income, working at home, quitting, moving, traveling around the world on a whim, or taking a few years or decades off to create a masterpiece (or clunker). No problem, that is, unique to a participatory economy. It is easy, after all, to overstate the flexibility and responsiveness of markets. And though there are difficulties in financing the arts and sciences through participatory planning, there are, as conglomerate publishing and corporate medicine illustrate, equal or greater dangers in relying on the market. One could wish, though, that Albert and Hahnel had showed some awareness of, and made some room in their argument for, the awkward fact that much of the art that makes life worth living we owe to the whims of the idle rich. The problem of patronage is deep and crucial, and may finally require more for its solution than solidarity plus computers.

After this streamlined account, so many questions about Albert and Hahnel's scheme undoubtedly remain that it would be impossible to formulate them in the rest of this review, much less answer them. For simplicity, perhaps they can be divided into questions about technology and about human relations. The most basic is, can the mechanism of decentralized planning through successive iterations really work? Can any conceivable data-processing system handle the required information? Wouldn't the associated bureaucracy, the Facilitation Boards, be monstrously large?

In reply, Albert and Hahnel point out that numerous data-bases of the necessary size already exist, notably—a nice irony—those of the giant credit bureaus, which may contain up to fifty million credit histories. The only new technical requirement of participatory planning is a widespread—near-universal, really—ability to access data about consumption and production with a terminal and modem. But there's nothing utopian about universal computer literacy; it's already on the horizon. As for the Facilitation Boards, they would indeed be sizable and expensive, but hardly as large or as wasteful as the corollary institutions of a market economy: banks, insurance companies, stock exchanges, credit bureaus, brokerage firms, police forces, private security agencies, auditors, the Internal Revenue Service, and, of course, the advertising industry. For the rest, one does need some feel for information technology and statistical techniques to judge the practicability of Albert and Hahnel's scheme with any confidence. But Albert is a former M.I.T. physics student, a science columnist for *Z* Magazine (which he co-edits), and, to my own knowledge, a computer whiz. These are not fuzzy-minded visionaries, intoxicated with their own rhetoric, gesturing vaguely toward the future and waving off objections impatiently with assurances that computers will somehow take care of all the details.

Assuming Albert and Hahnel's model of participatory economics is technically feasible, is it humanly feasible? Does it presuppose a degree of solidarity and of indifference to comfort, status, privacy, and mobility that it would be unreasonable to expect? And how many damned meetings would we all have to go to? To take the all-important last question first: the authors estimate the time involved in, say, a seven-round planning process to be roughly equal to the time now spent, on average, in filling out tax returns.

To the former, more complex questions, there is no straightforward answer. On the one hand, the classical socialist insight concerning the waste of creativity and dedication entailed by competition, and the corresponding potential for productive gains through cooperation, is as valid as ever. (In fact, it is given a mathematical demonstration in *The Political Economy of Participatory Economics*.) Also—let it never be forgotten—the market responds only to



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

effective demand, so there are always quite a lot of people around without much comfort, status, privacy, or mobility to jeopardize,

Still, Albert and Hahnel do seem to underestimate the wide and enduring appeal of traditional American values like individualism, self-reliance, and minding one's own business. Not all individualism, after all, is possessive individualism. Sometimes—a lot of the time—people just want to be left alone. Owning one's own home and car may be enormously wasteful, and taking one's chances in the labor market may be risky, stressful, even soul-destroying. But to the great majority of our fellow citizens, they nonetheless seem natural in a way that shared consumption and collective responsibility do not. A work that proposes a profound change in social organization ought to address, more fully than Albert and Hahnel do, what changes in popular attitudes and moral culture would be necessary and how they might come about.

This is, however, one of the few expository flaws in *Looking Backward* or *The Political Economy of Participatory Economics*. Both these books are, in general, well written and rigorously argued. Albert and Hahnel have spent a decade producing a serious work of constructive social theory, which challenges the assumptions, even as it affirms the values, of most others on the democratic left. All of us who have (not, perhaps, without a *frisson* of relief) accepted the inevitability of markets and renounced the illusion of a society without alienation owe it to our traditions to engage these two short, powerful volumes. □

**Eric Goldstein**

## ARAB MOVEMENTS FOR HUMAN RIGHTS

ARAB VOICES: THE HUMAN RIGHTS DEBATE IN THE MIDDLE EAST, by Kevin Dwyer. University of California Press, 1991. 254 pp. $45., hc; $12.95, pb.

The crisis in Algeria is still evolving as I write, but one thing is already clear: the army's suppression of democracy in the name of democracy has posed the gravest dilemma for the human rights movement in the Arab world in the decade and-a-half of its existence. Rights activists knew they would have to confront such a quandary sooner or later, as they defended Islamic activists from state repression while praying that the persecuted would never be able to wield power.

This paradox is not unique to the Middle East. Human rights victims are often members of political movements that, given the chance, would stomp on the rights of others. Defending their civil liberties is comfortable so long as they remain far from power.

It is therefore no surprise that many committed human rights activists breathed a sigh of relief when the military-backed governing council of Algeria halted the electoral process after the Islamic Salvation Front nearly captured a parliamentary majority in the first round of voting on December 26, 1991. Hearing the Front's campaign slogan "No to the charter, No to the Constitution; Yes to the Shari'a [Islamic law], Yes to the Sunna [the sayings of the Prophet Muhammad]," they did not want to risk watching Algeria's democracy die at birth after an exercise of "One person, one vote, one time."

Some Arab rights activists are prepared to take that risk. In condemning the coup, the prominent Cairo-based Arab Organization for Human Rights said, "No matter how legitimate the fears aroused by the participation in power by the forces of political zealotry, it is not acceptable to exchange a probable danger for an actual one."

For other human-rights activists, the situation is akin to Weimar Germany. As a prominent feminist in Algiers has said, "If human rights groups had been around in 1932 they should have supported someone who stopped Hitler from coming to power through constitutional means."

With some exceptions, these activists are no apologists for state repression of fundamentalists. In Egypt, a country where thousands of detainees are held without charge and tortured each year, most of them members or sympathizers of radical Islamic movements, the Egyptian Organization for Human Rights (EOHR) boldly declared a year-long campaign in 1992 for the elimination of torture in Egypt.

Many members of the EOHR are motivated by political as well as moral concerns: they believe that state repression of Islamic fundamentalists has helped to transform that movement into the region's main opposition force. The best hope, they maintain, for navigating between state repression and the ascension of a religion-based tyranny is to nurture democracy and respect for human rights.

This route carries risks, as Algeria has now shown. After the bloody riots of October 1988, the Algerian government went further than any Arab government toward liberalizing political life—allowing a thriving civil society, a relatively free press and relatively clean elections, and some fifty political parties, including the only legal Islamic parties in the Arab world. But in the wake of three decades of repressive one-party rule, the force best



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

equipped to dominate the wider political space was the Islamic Salvation Front.

Would democrats fare better in Egypt, Tunisia, Morocco, and other Arab countries if governments allowed genuinely free elections? For Arab democrats and rights activists, the question provokes much soul-searching.

The Arab human rights movement is little known or understood in the West. Americans are generally unaware that nearly half the governments in the region permit independent human rights organizations to function and to criticize state abuses. Such groups exist in Morocco, Tunisia, Algeria, Egypt, Lebanon, Jordan, Kuwait, and Yemen.

Toleration of these organizations is no proof of a thriving democracy. The Arab world has no thriving democracy at present. But brutal dictatorships are the exception rather than the rule, and in the last decade many governments have widened the margins of political expression and association and grown more responsive to public opinion.

Arab human rights organizations are a reflection of this trend. Despite their members' courage, however, they are not likely to play a role like that of their Soviet and Eastern European counterparts in the 1980s. Arab human rights groups are more ambivalent about drawing world attention to abuses perpetrated by Arabs upon other Arabs. Perhaps more significant is that while human rights standards and principles are energized elsewhere by growing acceptance of their universality, their reception in the Middle East is more hesitant. This fact has important implications for the direction that Arab societies will take when today's rulers loosen or lose control of the reins.

Kevin Dwyer begins his book *Arab Voices: The Human Rights Debate in the Middle East* by noting that "No one working on the Middle East over the last ten to fifteen years could fail to notice that the notion 'human rights' already has substantial mobilizing force throughout the region" and that the term "has wide currency." The Arab voices that animate this book, however, give divergent interpretations of the term.

Dwyer, an anthropologist who used to head the Middle East department of Amnesty International, confined his study to human rights activists and intellectuals in Egypt, Tunisia, and Morocco and readily admits that his informants do not speak for all sectors of society or for the Arab world as a whole. But he does make certain important generalizations. Among them is that "the notion of human rights as it is being promoted today is seen by most Middle Easterners to be inextricably linked to the actions of the West." The most basic international human rights instruments were drawn up primarily by Westerners in the post–World War II era and reflect a Western liberal emphasis on the rights of the individual. Arabs tell Dwyer that this preoccupation with individual autonomy ill fits Arab society, with its stronger notion of social obligations toward family, tribe, and community.

Should Arabs then reject the international human rights agenda as it has been set by the West? No, Egyptian human rights activist Ahmed Abdullah has argued convincingly. The international rights movement is the only one available with any momentum, and greater compliance with its tenets, whatever their origins, would be a gain for the Arab world.

The occidental origin of these rights, however, complicates the task of promoting them, especially when they are attacked as inimical or irrelevant to Islam. A Moroccan cleric spoke for many of his co-religionists when he told Dwyer:

> Islamic human rights, Islamic freedoms, don't mean that everything is permissible, although this is the view you tend to take in the West. For example, you know that Saudi Arabia didn't subscribe to the Universal Declaration of Human Rights. Why? Because the UDHR specifically permitted the acceptance of atheism, and that would allow propaganda against our religion. It would also allow a group, such as the Baha'i, which isn't even a religion but is just a sect, to try to impose itself as a religion. These kinds of groups can't be allowed to insult the established religion.
>
> And also the Universal Declaration of Human Rights was for complete equality between men and women. For us, women are equal to men in law, but they are not the same as men, and they can't be allowed to wander around freely in the streets like some kind of animal.

The issue of women's rights is central to the debate over competing conceptions of human rights in the Arab world. Can international norms of sexual equality be reconciled with Islamic family law, which discriminates in favor of men in matters of inheritance, parental custody, and access to marriage and divorce? No, the Moroccan, Tunisian, and Egyptian women's activists in *Arab Voices* seem to say. Although they sometimes present their views in terms of an enlightened Islam, they overwhelmingly favor the more egalitarian Western-style family and personal status codes over traditional Islamic family law.

Algeria's Islamists have made it clear, in their campaign pronouncements, as well through acts of intimidation, that a woman's place is in the home,



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

not in the workplace, on the beach, or on the city streets come evening. This has helped to make women's rights activists in Algeria some of the staunchest defenders of the January coup.

Dwyer completed his interviews for *Arab Voices* before the start of the Gulf War. That conflict may have set back the effort to propagate the notion of universal human rights in the Arab world. Writing in *Le Monde* of February 6, 1991, Mouncef Marzouki, the president of the Tunisian League of Human Rights, charged that the allied war against Iraq has discredited even the indigenous human rights movement:

> Democrats and Arab human rights activists have never stuck out so, or run so counter to the current of their people. It is not only that the question of democracy and human rights has been indefinitely postponed to the benefit of nationalism, but the concepts themselves have become suspect to the majority of Arabs.
>
> What universal values? people ask us everywhere. Linked to a West that defends the right of Kuwait but not of Palestine, that is democratic at home but shields anachronistic dictators here, democratic values are in danger of being washed away, even if that means throwing the baby out with the bath water. . . .
>
> Paradoxically, it is only to the extent that we Arab democrats can succeed from now on to separate and dissociate democracy and human-rights values from occidento-centrism that we will be able to save something from the rising tide of "isms."
>
> Such a task is something of an impossible mission, and the West will eventually realize at the dawn of its new world order—to which it was no more than a sorcerer's apprentice—that it has unleashed all the fanaticisms and extinguished the little flickering flame of democracy that we have tried so hard to light.

The coup and the halting of the Algerian elections came almost exactly one year after the start of the air war against Iraq. Marzouki may have overstated the degree to which the war set back the cause of democracy and human rights. Although Algeria's Islamic Salvation Front may have benefited from popular revulsion at the Gulf War, it is worth remembering that the party also won handily in municipal elections that took place in 1990, before Iraq invaded Kuwait.

The tension in the Arab countries between democratic values and "isms" may be the critical issue of the 1990s. Dwyer has given us a portrait of a movement within Arab society that is often overlooked. One can only hope that the political space that allows Arab rights activists to function will continue to widen. □

**Michael Kazin**

## THE MIND OF THE LEFT

THE RISE AND FALL OF THE AMERICAN LEFT, by John Patrick Diggins. Norton, 1992. 288 pp. $22.95.

John Diggins has written an irritating but provocative book. First, the annoyances: He calls the work a history of the left in the United States but slights everyone but intellectuals. He says almost nothing about the labor movement, but devotes close to a hundred pages to bashing radical academics in the 1980s. He mocks the left's failure to convert the working class but scorns the Popular Front and contemporary social historians for hyping a tradition of farmers and workers who viewed their conflicts with wealth and power as patriotic. Diggins fails, except for a few kind words about recent feminists, to acknowledge when radicals were successful: notably, in the CIO during the late 1930s and early forties and in the movement that helped end the Vietnam War.

Yet this is a book to argue with as well as against. By writing mainly about the parts of the left that interest him, Diggins is able to focus on a significant issue: the attempt of radical intellectuals both to nurture an alienated, romantic vision and somehow to win "the people" to their side. This yields a number of insights and gives some force and continuity to a rather undisciplined work. Diggins describes his own position as "to the right of the Left and to the left of the Right." Perhaps it takes a sardonic liberal centrist in love with ideas to make despairing leftists confront a major fault line in our troubling heritage.

For Diggins, the history of the American Left essentially begins in Greenwich Village, c. 1912. Such New York writers as Floyd Dell and Claude McKay, Max Eastman and Crystal Eastman, John Reed and Randolph Bourne composed what he calls the Lyrical Left. They championed the IWW (Industrial Workers of the World) and the left wing of the Socialist party (SP), published the splendidly original *Masses,* and articulated the unpopular wisdom of racial and sexual equality. Bohemianism and revolution were joined. "Proclaiming a new ethic of gaiety and sensuality," writes Diggins, "the Lyrical rebels proudly declared themselves to be reckless and irresponsible." The idyllic bubble burst when most of America, including many left-wing intellectuals, went off, physically or spiritually, to fight the kaiser. But soon the triumphant Bolsheviks



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

built the romantic fire of revolution to unequaled heights. It was a conflagration some Lyricists like John Reed did not survive.

This is not an adequate account of the fate of the left as a political movement in the first quarter of this century. Reading Diggins, one would never know that the writings of Edward Bellamy and Henry George, whom he simply labels "utopians," converted many more Americans to the left than those of Marx, or that the following of moderate socialists like Victor Berger and Maurice Hillquit dwarfed that of all the Village intellectuals combined. There were more socialists in the Oklahoma and Texas Bible belt, per capita, than in New York state. During its golden age the SP was an ethnic and doctrinal quilt of remarkable heterogeneity, the first and last organization on the left to include a cross-section of the white working and lower middle classes (blacks and other minorities were rare, it being an age of legal and informal apartheid). By missing this fact, Diggins misses the tragedy of the SP's downfall.

But he does capture something of equal importance—the failure of the left as a whole in this period to adapt to the swiftly changing realities of power, both national and foreign. Neither Berger nor Reed understood or accepted the collapse of the Marxian dream, the triumph of the gods of industrial efficiency and nationalist blood-letting over proletarian solidarity. Moreover, the wistful iconoclasm of the *Masses* was reflected across the left spectrum. The left, writes Diggins, "has been something of a spontaneous moral impulse, mercurial and sporadic, suspicious of power and distrustful of politics." Meant as a general comment, it applies best to the period when Eugene Debs pleaded with American workers to love and trust one another but could not convert applause into electoral votes.

At first glance, the Old Left, dominated by the Communist party (CP), would seem to have cured this penchant for fuzzy-minded idealism. Radicals in the 1930s (depending on faction) admired Lenin, Trotsky, and Stalin as masterful, ruthless strategists. Diggins does not minimize the appeal of this view, which took on particular significance with the rise of Nazi Germany. He points, however, to quixotic aspects of the CP that helped it recruit followers yet also encouraged most Americans to view it as a mysterious, alien force: the worship of a foreign country populated "by grim-jawed Russian men with enormous biceps and smiling peasant girls with big, honest calves" and the conviction that, as a leaflet put it, "dialectical materialism" was the "solution to all problems."

A habit of dogmatism, argues Diggins, was fundamental to the failure of the Old Left. He praises Max Eastman and Sidney Hook for attacking the CP's Marxism on pragmatic grounds, for blowing away the Hegelian miasma to reveal the totalitarian impulse within. Had the depression-era left jettisoned the cult of historical inevitability and adopted Hook's (and John Dewey's) instrumentalist humanism, Diggins implies, it could have avoided the theoretical and political dead ends represented by Stalin and Trotsky. This is a refreshing way to account for the persistent marginality of Marxism in America—even during the depression years when public recognition of class differences was unusually high.

But here, as throughout the book, Diggins's focus on intellectual disputes obscures more significant reasons why the left failed. Since the early 1920s, the CP's moral opportunism, secretiveness, and pristine loyalty to the USSR had been unattractive to most of the people the party was trying to reach. Recent historians of communism (whose work Diggins belittles) have shown that many rank-and-file CP activists understood this and so concentrated on the immediate tasks at hand (organizing unions, advocating black rights, raising funds for Loyalist Spain, and so on). They downplayed or denied their organizational commitment. At the time, that was smart, if dishonest, politics, though it backfired once the cold war began. But Hook's difficult essays, no matter how challenging they may have been to some "students and young radicals," were not written in a language ordinary leftists spoke. Even had they reached a wider audience, the attempt to marry Dewey and Marx would have done little to change the minds of most CP members—whose interest in theory was not much greater than that of adherents to other American political parties.

Diggins is on firmer, if less original, ground when he writes about the original promise of the New Left and its eventual retreat into hyperrevolutionary delusion. Both SNCC (Student Nonviolent Coordinating Committee) and SDS (Students for a Democratic Society) were founded by bright college students engaged with philosophical issues as articulated by such writers as Camus, Sartre, C. Wright Mills, and Paul Goodman. Their alienation from what Richard Nixon would call "Middle America" was a continuing thread from the peaceful optimism of Port Huron and Mississippi Summer to the violent bravado of the Weathermen and the Black Panthers.

While Diggins adds little to the astute accounts by James Miller and Todd Gitlin, he does craft a few memorable lines: "The young, who had inherited the nuclear bombs as a child inherits an incurable disease"; "The historical context of the Old Left was



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

the abundance of poverty; that of the New Left, the poverty of abundance." And he sees the resemblance of radical students in the sixties to the Lyrical Left of half a century before; both movements sought to transform daily life and not merely to grab the levers of power. Diggins, who views "the idea of freedom" as the desired core of any left, seems to approve this Whitmanesque purpose. But he also points out that the orgiastic, antitechnological vision shared by the New Left and the counterculture violated "the political lesson of radical life in modern industrial society: Don't mess with the middle class."

After closing out the 1960s, Diggins detours into his own apocalypse. The history of the left, he argues, is now ending in a muddle of poststructuralist, "politically correct," self-referential writings that hardly anyone but professors and their captive students actually reads. In this section Diggins pays more attention to theoretical antecedents (especially Hegel and Gramsci) than do conservative critics of the same phenomenon. And what irks him most—the attempt by radical historians to view U.S. labor history through the single, sentimental lens of "republicanism"—is hardly what bothers Dinesh D'Souza and company.

Diggins's polemic, however, shares the same political space and makes the same types of exaggerated claims. Is support for affirmative action an example of radical professors who "lectured on egalitarianism while practicing elitism"? Do most left historians believe that "The world can be changed by writing about it"? Have the working class and middle class really been "increasingly indistinguishable" since the age of Jackson? Against the arcane naiveté of the academic left, Diggins means to reassert the hard-headed ironies of Tocqueville, Niebuhr, and Hartz. But his full-throttled rush to judgment lacks their careful attention to detail and difference.

He also fails to notice that radical professors have not been the only ones talking about and organizing for traditional left concerns during the past two decades. Without radical activists, there would have been no Rainbow Coalition, Citizen Action, National Organization for Women, ACT-UP, Greenpeace, or Nuclear Freeze. Granted, socialism is a hazy concept for many of these organizers (a confusion most intellectuals share). But that is no reason to neglect their commitment to radical democracy and equality and their search for solutions that make sense in a postindustrial society. A stimulating book deserved a better conclusion. □

**ARE YOU MOVING?**

•

Second-class publications are not forwarded by your Post Office, but returned (at senders' expense) to be repackaged and reshipped: . . . *Three postage payments, for us, plus weeks of delay*. . . . To avoid this, and help DISSENT, *please notify us one month in advance of your change of address*. Send both old and new address to:

•

DISSENT, 521 Fifth Ave.
New York, N.Y. 10017

**Rose Laub Coser**

## A CASE FOR AFFIRMATIVE ACTION

RACISM AND JUSTICE: THE CASE FOR AFFIRMATIVE ACTION, by Gertrude Ezorsky. Ithaca: Cornell University Press, 1991. 139 pp. Cloth $21.95; paper $6.95.

Gertrude Ezorsky presents a powerfully reasoned argument in favor of raising out of misery that part of the American population that has been relegated to the most miserable jobs and deprived of civil rights and humane treatment.

The book starts with a demonstration that there is still institutional racism in the United States. Space does not permit a listing of all the evidence. Let me mention only the fact that, according to a 1986 survey, in the thirty-two states where the death penalty has been imposed in the 1980s, the killer of a white is nearly three times more likely to be sentenced to death than the killer of a black. In 1980 blacks with a college education had a higher unemployment rate than did white high-school dropouts. This also applies to West Indians, who are usually thought of as doing better than American blacks. In New York City, a U.S.-born white male college graduate can expect to earn 50 percent more than an equally educated black male of West Indian ancestry.

Ezorsky proceeds with careful logic to establish the importance of affirmative action. She lays to rest the notion that affirmative action is racism in reverse. Such reasoning, she says, implies that white candidates have to suffer the same kind of humiliating treatment that blacks have suffered for



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

ages. Even if a white person misses out on a job opportunity because preference was given to a black, the "rejection is not based on a derogatory false notion of racial inferiority; thus [that person] is not a victim of overt racism, even in reverse." Yet, she concedes that sometimes an individual might get hurt if preferential treatment is given to a black. For those cases she suggests remedies such as work sharing or compensation.

Criticisms of affirmative action are taken up one by one. Against Daniel Bell, who claims that the right to racial representation would also apply to other groups like conservatives, she argues that the two cases are completely different. Blacks suffer discrimination in all of society, whereas an unwillingness to hire conservatives, if that happened in some academic department, would be a unique event. Ezorsky fails to mention that Bell's criticism is specious because he ignores the distinction between civil liberties and civil rights. Blacks have a claim to civil rights because their status is ascribed rather than voluntary.

Against Nathan Glazer, who states that tradition has channeled some groups into certain types of work, she shows that in contrast to other ethnic groups, blacks have a history of being channeled into the most miserable types of work.

Ezorsky argues convincingly against the notion that preferential treatment in employment would harm performance in the work place. This would imply, she shows, that merit is always the only criterion for employment. In fact, there are other reasons, such as seniority, personal connections, and so on, that enter into hiring decisions. Affirmative action, which demands objective performance standards and thorough searches for qualified candidates, would foster rather than discourage excellence in performance.

Ezorsky demolishes the argument held by many, including Midge Decter and Thomas Sowell, that preferential treatment of blacks would damage their self-respect. There is no damage to the self-respect of a person who is hired because he is the nephew of the boss. And nobody is ashamed of—on the contrary, people are being encouraged to build up—important contacts. Jobs seekers are being advised to use any influence they can muster; and they are proud when they succeed in developing contacts that help them obtain jobs.

The book ends with the opinion of Justice Thurgood Marshall on the Bakke case. He stated: "The experience of Negroes in America has been different in kind, not just in degree, from that of other ethnic groups. It is not merely the history of slavery alone but also that a whole people were marked as inferior by the law. And that mark has endured." □



LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

**NOW IN PAPER!**

**RECONSTRUCTING THE COMMON GOOD**

Theology and the Social Order

Gary J. Dorrien

0-88344-797-5 224 pages.

Paper $16.95

"A remarkable achievement. His comparative look at the communitarian and democratic strands in religious socialist thought throughout the twentieth century breaks creative and original ground . . ."

—Harry Boyte
Humphrey Institute of Public Affairs

"With lucid prose, Gary Dorrien has written a book . . . that will help keep alive the vision of a cooperative commonwealth." —*Perspectives*

". . . Dorrien calls the bluff of liberationist critiques of capitalism which fail to specify, or are signally vague about, the type of socialism which should replace it." —*Theological Book Review*

"The best of all intellectual works [in its subject]. Powerful, scholarly, human." —*The Book Reader*

**ORBIS BOOKS**
Maryknoll, NY 10545
1-800-258-5838
In NYS call collect 914 941 7687


LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED

# The New Americanism:

## How the Democratic Party Can Win the Presidency

Steven Jonas, M.D.

Are you fed up with Reaganite/Bushist racial Republicanism? Are you tired of me-too, win-at-any-cost (but lose anyway) Democrats? Have you been waiting for the Democratic Party to, as Robert Kuttner has put it, "develop a broad, embracing, expansive vision combining national purpose with economic advancement," a vision "that would rally masses of non-rich voters" around the progressive agenda for dealing with the monumental challenges facing our country? Well, I've taken a crack at developing that vision. I call it *The New Americanism.*

*The New Americanism* is an ideology and a program for winning elections and governing the nation based on the oldest and the best of American ideas: those found in the Declaration of Independence and the Constitution. In his Foreword to *The New Americanism*, George McGovern says:

> ...I can only urge my fellow Americans and especially my fellow Democrats to read and heed the wise counsel of this thoughtful and creative book.

I hope that you will heed Senator McGovern's counsel, buy a copy of the book, read it, and use it, too! You can order *The New Americanism* through your bookstore or, using the coupon below, directly from the distributor. Thank you.

ISBN:0-912526-56-4 paper $18.95 LC91-91153 Jan. 20, 1992 326p.

Distributed by:
**Library Research Associates, Inc.**
**Dunderberg Road, RD#5, Box 41**
**Monroe, New York 10950-3703**

Please send me___copies of *The New Americanism* at $18.95 (U.S.)each, plus $2.75 shipping and handling.

☐ Enclosed is $_____. New York and Florida residents please add sales tax.

☐ Enclosed is authorized purchase order #_____. Please bill (plus shipping.)

**Available direct from LRA, Inc., wholesalers, jobbers, and bookstores.**

Name:_____

Address:_____

City/State/Zip:_____

Home Phone:(___)_____ Business Phone:(___)_____

dissent

521 Fifth Avenue New York, N.Y. 10017

LICENSED TO UNZ.ORG
ELECTRONIC REPRODUCTION PROHIBITED